





# BUDGET ADDRESS

Delivered by

The Hon. Mitchell F. Hepburn

Prime Minister and Treasurer of Ontario

in the

LEGISLATIVE ASSEMBLY OF ONTARIO

On the 12th March, 1936

On Moving the House into Committee of Supply

Also Statements of

ASSETS AND LIABILITIES

REVENUE AND EXPENDITURE

COMPARATIVE AND STATISTICAL

INFORMATION



ONTARIO

TORONTO

Printed and Published by T. E. Bowman, Printer to the King's Most Excellent Majesty  
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# BUDGET ADDRESS

DELIVERED BY

## THE HON. MITCHELL F. HEPBURN

PRIME MINISTER AND TREASURER OF ONTARIO

March 12th, 1936

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MR. SPEAKER:

At this moment I would be remiss in my duty if I did not recall to this House the fact that this is the occasion of the birthday of the youngest member of this administration, that of my honourable friend the Minister of Welfare. (Applause.) He arrived in this country many years ago from a foreign land, and during the years of his stay in this Dominion he has endeared himself to the people of the land of his adoption. I think all members of this House will unite with me in extending to him our good wishes. We wish him many happy returns of the day, and we hope that each succeeding year will find Mr. Croll happier than the year before. (Applause.)

In discharging the responsibility which now devolves upon me, of moving that you leave the Chair and that the House resolve itself into Committee of Supply, may I say to the House that I hope that the document which I am about to read meets with your unanimous approval. And if it does, I hope that the House, not only the honourable members who support the Government and the honourable gentlemen who sit on the Treasury benches but also the honourable members who sit opposite, will join with me in expressing deep appreciation of the work of all the officials of the Treasury Department and, more particularly, of the work of the Controller of the Treasury, Mr. Chester S. Walters.

I want now to say this, that, in my opinion, he is the greatest tax expert in the Dominion of Canada to-day, and there is no man to whom I would rather turn in any financial problem than to Chester Walters. I have no hesitation at this moment in designating him the senior official in the employ of this administration. (Applause.)

Now, the document I am about to present to this House has been carefully prepared and has been thoroughly checked with respect to its accuracy. In fact, it will be necessary for me to read it, as is customary, in order that we may preserve the document itself in the records of the Ontario Legislature. So I am going to present to this House a statement of the financial standing of the Province and to give an account of the moneys received and expended since the time when I had the honour of addressing you in my first Budget Speech on April 2nd last year. I shall endeavour to give an accurate and understandable account of how the business of the Province has been carried on; and, in doing this, I recognize the fact that taxpayers will show a more intense interest in the affairs of the Government and, by reason of the fact that they are able to trace the expenditures of this Government with comparative ease, will better understand why they are called upon to pay certain taxes.

By giving full information to this House and to the citizens—and to them chiefly I address my remarks to-day—the people, who after all have to support the cost of Government, will be able to understand the problems of the Government and to participate in supporting the policy of this Government in a manner which will result in bringing the greatest good to the greatest number.

In looking over the Public Accounts of the Province since Confederation, I find that the total expenditures since 1867 amount to approximately \$1,800,000,000.

In interest charges alone, we have paid more than \$300,000,000. On education there has been expended a sum in excess of \$200,000,000, and to furnish the government to carry on the business of the state, elections have been held from time to time at a cost of nearly \$5,000,000.

#### PUBLIC ACCOUNTS FOR FIVE MONTHS' PERIOD

Honourable Members have been supplied with copies of the Public Accounts for the period November 1st, 1934, to March 31st, 1935. These Accounts have been in your hands for some considerable time.

#### A LEGACY OF DEBT LEFT BY THE FORMER ADMINISTRATION

Last year it was my privilege to explain to this House the reason for changing the fiscal year of the Government from October 31st to March 31st. When the present administration took office on July 11th, 1934, the excess of expenditure, both ordinary and capital, over receipts, both ordinary and capital, for the eight months ended June 30th, 1934, was \$47,621,978.44, as shown by the following figures:

##### Eight months ended June 30th, 1934:

Ordinary Expenditure.....	\$46,452,900 86	
Capital Payments (including Unemployment Relief).....	45,270,680 85	
	<u>                    </u>	\$91,723,581 71
DEDUCT—		
Ordinary Revenue.....	\$38,994,088 34	
Capital Receipts.....	5,107,514 93	
	<u>                    </u>	44,101,603 27
Increase in Gross Debt.....		<u>\$47,621,978 44</u>

It will be noted that the increase in Gross Debt for the eight months was at the monthly rate of \$5,952,747.30, or almost six million dollars a month. Had this monthly increase continued at the same rate for the remaining four months of the year in which we had charge of the disbursements, it would have resulted in an increase of debt for the year ending October 31st, 1934, of \$71,432,967.60, whereas the actual increase in debt for the year was \$61,632,550.88. None of this increase can be attributed to the present Government as we were carrying out contracts and commitments, paying grants and meeting obligations incurred by the former administration. However, the present administration was able, by practising strict economy, to reduce the monthly increase in debt from a rate of \$5,952,747.30 to a rate of \$3,502,643.12 for the remaining four months of the fiscal year 1933-34 to which I have referred. This was a reduction in the monthly rate of increase of \$2,450,104.18, or a total reduction of \$9,800,416.72.

I wish to digress at this moment to refer to the many charges made against this administration for, so it is said, having increased the debt in the year to which



I have referred. I want to point out and to emphasize the fact that the entire contractual obligations of the present administration from July 11th, 1934, to October 31st, 1934, totalled less than \$150,000.00, whereas the increase in debt for that entire fiscal year was over \$61,000,000.00.

The increase in gross debt for the five months ended March 31st, 1935, of \$18,625,064.28, or a monthly increase of \$3,725,012.86, was at a slightly higher rate than the monthly increase during the months of July, August, September and October, 1934, due to the increased relief costs during the winter months. However, the monthly increase in debt was actually \$2,227,734.44 a month less than the monthly increase during the first eight months of the year 1934, as shown by the following figures:

AVERAGE MONTHLY INCREASE:

Eight months ended June 30, 1934.....	\$5,952,747 30
Five months ended March 31, 1935.....	3,725,012 86
Reduction in monthly increase.....	<u>\$2,227,734 44</u>

Here again, however, it should be emphasized that during the last four months of the 1934 fiscal year and the five months' period ended March 31st, 1935, the present administration had been carrying on wholly with supplies voted by the former administration, on revenue obtained by tax-raising machinery of the former administration and was disbursing funds on works and commitments contracted or planned by the Henry Government.

The five months' results would have shown considerable improvement had it not been for the handicap under which this Government labored, inasmuch as it had to meet increasing relief expenditures, sandwiched as we were between the ever-growing demands of the municipalities and the grudging assistance doled out by a reluctant Federal Government.

The ordinary expenditures for the five months' period amounted to \$31,489,616.34 and the ordinary revenue amounted to \$21,048,944.06, resulting in an excess of ordinary expenditure over ordinary revenue for the five months to March 31st of \$10,440,672.28.

I do not consider it necessary here to enter upon any further discussion regarding the five months' operation of the Government other than to say that there are certain times in the year when revenues do not march in harmony with expenditures. There was no budgeting for this five months' period and, in fact, the decision to change the fiscal year was not arrived at until two of the five months had elapsed. It might well have happened that, instead of a deficit, there would have been an excess of revenue over expenditure because, as I have already emphasized, not a dollar was spent in these five months except from supply voted by the former administration and not a dollar of revenue was collected except as the result of the revenue planning of the former Government.

#### NEW FISCAL YEAR AN ADVANTAGE

As to the wisdom of having the fiscal period coincident with that of the Dominion Government, few will disagree. I venture to predict that in the course of time—probably a very, very long time—some—some, I said—of the gentlemen who sit opposite may occupy the Treasury benches, and my prediction is this, that they will never for a moment consider going back to the old-fashioned fiscal year which ended on October 31st, and which resulted in over-estimating of

revenues and under-estimating of expenditures, if only by reason of the fact that it was almost humanly impossible to forecast with any degree of accuracy in March or April what revenues might be collected and what expenditures would be necessary for an accounting period to end some 18 or 19 months after the estimates were brought down and approved by the House.

### A REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

Before making my presentation of the results of the operations of the present fiscal year in which we are, will you permit me, Mr. Speaker, to offer a few observations on general conditions which have obtained in the Province of Ontario during the past year. I refer first to our most important industry, that of agriculture.

#### AGRICULTURE

As a result of the 1935 harvest, and the gradual increase in prices for diversified farm products, farmers have shown a tendency to become more optimistic as to the future, although admittedly it will be some time before their greater purchasing power will be felt, owing to accumulation of taxes and mortgage interest. There was an abundant harvest throughout the Province of all kinds of crops, and in many cases it was the largest in years. Fall wheat appears to have been the only drop below normal. Yield of other grains, hay, roots and silage, was well above average, and the land is apparently in good condition for this year's crops. The price for good cattle is considerably higher than in 1934, and in view of the heavy crop of hay and fodder, a large increase in the number of livestock being winter fed throughout the Province is noticeable. An unusual number of pure-bred cattle is being exported to the United States, and beneficial results are expected from the recent trade treaty. Incidentally, the tobacco crop was the best produced for a number of years, both quantity and quality being exceptionally good. It is thought that each acre harvested will net the grower approximately \$50 more than was the case in 1934. Average prices during the two years were about as follows:

	1935	1934
Cattle.....	\$5.20	\$4.45 cwt.
Good milch cows.....	55.00	45.00 per head
Lambs.....	.08	.05¾ per lb.
Sheep.....	.03	.02 per lb.
Chickens.....	.15	.14 per lb.
Eggs.....	.40	.30 per doz.
Butter.....	.28	.23 per lb.
Potatoes.....	1.00	.50 per bag

#### BUILDING

A substantial increase in building operations was noted in many centres—in Toronto the following figures were reported:

	Year Ended Oct. 31/35	Year Ended Oct. 31/34
Approximate value of buildings.....	\$10,511,243	\$6,270,538
Number of building permits issued.....	4,429	4,496
Number of new buildings erected.....	6,135	5,101

During the first eleven months of 1935, construction contracts awarded in all Ontario totalled \$69,000,000. During the same period in 1934 the total was \$61,000,000.

### LABOUR

Some improvement is noted, and in Toronto there was a decrease of from 15% to 20% in unemployment compared with 1934. In Hamilton the 1926 low figures for employment were 30,272. In 1933 these went down to 21,800; in 1934 rose to 26,875; and in 1935 to 32,027. It will be noted that this latter figure was higher than that in 1926, although it is probable that the larger number reflects a shortening of hours of work per man.

### LUMBERING

Higher prices prevailed in the lumber industry during the early months of 1935, and on the whole the average price received during the year was an improvement over that of 1934.

### MANUFACTURING

A definite improvement during 1935 was noticed. The following brief summary is given:

INDUSTRY	CONDITION
Textile.....	A much better year was experienced— in some cases the biggest in history.
Iron and Steel.....	A very successful year was reported.
Farm Implements.....	A decided improvement was reported from some centres.
Electrical Machinery.....	An increase was noted.
Cereals.....	Excellent reports.
Carpets.....	Substantial improvement, with better grades being sold, and business excel- lent, particularly during the first nine months of 1935.
Boots and Shoes.....	A very good year was experienced.

### MINING

The total value of purchases by the mining industry in 1934 was computed at over \$75,000,000, and more than 40% of this was on behalf of *Ontario* mines. In Ontario the mineral output in 1934 showed a total value in Canadian Funds of \$145,854,000, in 1935 (estimated) \$152,600,000. This improvement is evidence of the ever-growing importance of the industry to the Province.

### RETAIL TRADE

The definite increase in the number of employed throughout the Province has had a beneficial effect. Merchants in the majority of centres report a larger volume of goods being handled, better grades of merchandise being sold, and the public buying more freely. The tourist trade was of great benefit to Ontario generally, and to merchants in Northern Ontario in particular.

### WHOLESALE TRADE

Leading distributors state that there was an increase of 10% to 20% in the turnover of drygoods in 1935 as compared with 1934. Wholesale prices, however, have not improved, and in many lines the margin of profit is still small.



Finally it may be said that a better feeling generally has been in evidence throughout the Province, and a noticeable decrease in the number of those receiving relief, and the corresponding improvement in manufacturing conditions, are worthy of comment.

### THE PROVINCIAL FINANCES

As Honourable Members well know, every organized state requires money to carry on the business of government and I shall endeavour to place before this House a clear statement showing where the revenue came from and how the money was expended. A state has three ways of obtaining money: (1) by taxation; (2) by the operation of state-owned enterprises; and (3) by borrowing, which implies repayment with interest.

Just on this point of repayment, let me say that the funded debt of the Province as at March 31st, 1935, amounted to \$586,365,499.17. This does not include annuities and certificates. Now, this funded debt must be met at maturity and it will be met and honoured in the strict terms of the contract. To do this will tax the great productive power of the people of this Province and you will realize the force of this statement when I tell you that, in addition to meeting the \$586,365,499.17 on the various dates of maturity, the taxpayers of Ontario, in addition to repaying the principal, will be called upon to pay interest amounting to approximately \$370,000,000. So that what appears to be a debt on the shoulders of the people of the Province of Ontario of some 586 millions of dollars will in the course of time, as and when it falls due, amount to a final total of 956 millions of dollars.

### COMPARISON OF THE RESULTS OF BORROWING AND OF TAXATION

It will thus be seen that the Provincial debt, when virtually paid once, yet remains to be paid over again. The difference between the system of raising money by loans and that of providing for all expenses by taxation is that, while in both cases the same pressure is made at the time on the comfort of families and the general public, in the former way, that is, by borrowing, there is the formation and growth of a great Provincial mortgage which remains to oppress and enfeeble and impoverish the country. In either way, that is, by borrowing or by taxing, the Province may, in the first instance, obtain exactly the same supplies and services, but, by borrowing instead of taxing, the Province obtains those supplies and services at a greatly increased cost. Notwithstanding this fact, however, loans are more popular than taxes and, just because they are, their double mischief is disguised. The people do not feel that the Government is taking money out of their pockets by borrowing. People think that a loan entails only a distant calamity, although the full weight of it is felt in a present calamity. But this is not perceived by most people and for the time, at least, their blindness to the true state of affairs reconciles them to a sore infatuation.

### PORTION OF FUNDED DEBT PAYABLE IN NEW YORK OR LONDON

More than 50% of the funded debt of this Province is payable at the option of the holder in money other than the lawful money of Canada. That is a startling state of affairs to disclose to the people. The larger portion of the bonds that are payable in foreign currencies must be paid, both as to principal and interest, in the highest of the three money markets; that is to say, in Canada, or in New



York, or in London. When honourable friends opposite are making their political speeches around the country and talking learnedly of the problems of public finance and how to solve them, let them explain to their audiences that during the present fiscal year it will cost this Government approximately \$250,000 for exchange which we have had to pay either in New York or in London because of the fact that, when these bonds payable in foreign currencies were floated, the financial pilot of the day could not see far enough ahead of him to avoid the Charybdis of foreign exchange or the Scylla of high interest rates. None of the bonds issued by the former Government contain any right to the issuer to redeem them at any period before maturity. In other words, these bonds are not callable, unfortunately for us. I am glad to be able to say that, since this Government took office on July 11th, 1934, we have not borrowed a dollar payable in funds other than in the lawful money of Canada and, as long as the people of the Province of Ontario continue to have faith in this Government, as they amply demonstrated last June, when in less than a week we sold to them \$20,000,000 worth of our debentures, it will not be necessary for this Government to go and place their necks under the heel of the money-changers of New York or London. (Applause.)

#### AN EXPOSURE OF THE TACTICS OF OPPOSITION CRITICS

This may be an appropriate time, Mr. Speaker, to say something about the credit of the Province of Ontario in London circles and, in fact, about the credit of the Province at home and abroad. Last summer, and in the autumn, honourable gentlemen opposite went around the country stating that this Government was adding to the debt of the Province at a rate in excess of \$100,000 a day. They had no grounds for making any such statement and the only object they had in making the statement was to advance their own political ends. Well, that did have some effect upon the state of the public mind for a short time, but it was not the effect that they intended. You have heard the story of the ape that saw a bumble bee alighting on the head of a sleeping bear. It is rather an appropriate story and I want you to understand that I do not mean it to be offensive. I thought I saw my honourable friend, the ex-Minister of Highways, laughing as if he anticipated something. I suppose that even apes have some sympathy for their fellows of the brute kingdom; and the story goes that the ape, with the idea of killing the bumble bee, picked up a large stone, ambled over to the sleeping bear, raised the stone and let it drop upon a spot where the bee was buzzing. But the bee was alert and it moved from its position and the stone struck the bear and did it infinitely more harm and brought a degree of pain that it would never have suffered had the bumble bee been allowed to remain on the bear's head. Do you see the application of this old story? The ape who picked up the stone and ambled across the road and poised it and dropped it on the bear was one of my honourable friends opposite, who wanted to kill the bee. Now, I would rather be compared to a bee than to an ape, because after all the bee is a symbol of industry and it minds its own business and works hard and leaves people alone unless interfered with. The bear is the Province of Ontario, quite appropriately, I think, because if you look at the crest of this Province you will find the image of a black bear surmounting the shield. And what a crack the poor innocent bear got and how unfortunate it was for many a poor deluded Ontario holder of the obligations of this Province, the finest security that you could purchase to-day. These people were frightened. For a time they believed some of the things the ex-Attorney General, the former custodian of justice in this Province, and his friends had to say

about the credit of this Province and about the way it had been destroyed, and about the plaster, the mortgage, that had been placed upon every home and how equities were being lost by the terrible extravagance of this Government that was said to be adding \$100,000 a day to the debt.

Mr. Speaker, I know some of the people who unloaded these securities when they became a bit panicky. Some of them sold them in January of this year, sold Ontario 5½% Debentures, maturing on July 1st, 1946, sold them as low as \$108.50 for a \$100 bond, to yield the investor 4.48 or nearly 4½%. Well, Gentlemen, the old bear finally roused himself, rubbed his head, and to-day those same 5½% Debentures of the Province of Ontario, maturing on July 1st, 1946, have risen seven points and the yield to the investor is still a handsome one, namely 3.70%. Then, if I may refer to another series, the 4½% Debentures, maturing on September 1st, 1944, they are being eagerly sought after to-day at about 111¼ for a \$100 bond, to yield 2.99 or less than 3%. There is a similar issue of the Dominion of Canada, payable one month later, that is, on the 15th of October, 1944, and this debenture is being sold and bought to yield approximately 2.84%, and I predict, Gentlemen, at the end of this present fiscal year, that the bonds of the Province of Ontario will be selling at the highest point in history. (Applause.) I want to make the statement that there is not now on this market or any market in the world—a single bond or debenture of the Province of Ontario that can be purchased at par; (Applause) and to every investor or holder of any of the obligations of the Province of Ontario, let me say this to them, “Hold on to the investment you have, because it is backed by a solid, economical Government. It is the obligation of the richest, largest and most law-abiding Province in this Dominion.” (Applause.)

### ONTARIO'S CREDIT IN LONDON

Just a word about the situation in England. The Province of Ontario owes in England 1946 registered stock bearing interest at 3½% in the amount of \$2,056,406.30, and 1947 registered stock bearing interest at 4% in the amount of \$1,547,175.70 and, maturing in 1965, 4½% registered stock in the amount of \$834,412.54. Now, John Bull is the greatest investor in the world. Wherever his flag flies, the Britisher likes to invest, and the Dutch and the French and the Swiss investors follow him. He looks down upon the world and looks for security of principal and certainty of the improvement of the money he lends out. I have obtained through the Bank of Montreal a record of all the sales of Province of Ontario registered stock in London, England, since this Government took office and for some time before. Let me refer briefly to the Province of Ontario 4% registered stock maturing in 1947. The records of the sales for June, 1934, show that the highest price paid for a £100 sterling bond was £101⅞. It has never been as low as that since June, 1934, and my honourable friend, the ex-Prime Minister, will know the significance of that date. The stock has kept steady ever since this Government came into power and has sold as high as £105¼ and the last sale on record was £103¾. The showing with respect to the Province of Ontario 4½% registered stock, maturing 1945 to 1965, is even better. You know London time is about four hours ahead of Toronto time and your London investor has his finger upon the pulse of the public. Some London investor thought that something was going to happen on the 19th of June, 1934. Perhaps he thought there was a revolution on in Ontario. And so there was, a glorious political revolution. At any rate, on that day there was a sale of stock, the par value of which was £233 17s 4d. The amount received for the stock was £240

17s 7d. Now, the next sale reported was on August 10th of the same year, after a new administration was in power. Apparently the same stock was again turned over and found ready buyers. This stock, the par value of which was £233 17s 4d, was sold for £246 2s 11d, quite an appreciation in value as compared with June, 1934, and that is at the rate of  $105\frac{1}{4}$ . The last sales on record of this  $4\frac{1}{2}\%$  stock were at an even better rate, namely, at a price of £109 10s 0d for a £100 sterling debenture. Would anyone want a more complete and convincing answer to the slanderous and libelous statements which were designed to destroy the reputation of this Government in London, England, regardless of whether it also damaged the credit of the Province or not?

#### STATEMENT OF BORROWINGS SINCE APRIL 1st, 1935

During the present fiscal year this Government sold debentures in the amount of \$46,300,000, as follows: (These are all straight term debentures)

Date of Issue	Series	Term	Interest Rate	Amount	Effective Interest Rate
June 15, 1935	"BE"	2 Years	$2\frac{3}{4}$	\$11,841,500 00	2.853
June 15, 1935	"BE"	5 Years	3	8,158,500 00	3.035
Aug. 15, 1935	"BF"	$2\frac{1}{2}$ Years	2	10,000,000 00	2.538
Nov. 1, 1935	"BG"	$3\frac{1}{2}$ Years	2	15,000,000 00	2.655
Nov. 1, 1935	"TI"	7 Years	$4\frac{3}{4}$	1,300,000 00	4.75
				<u>\$46,300,000 00</u>	

I give the following explanation as to the Debentures bearing interest at  $4\frac{3}{4}\%$ . They are issued to the Teachers' and Inspectors' Superannuation Fund and bear interest at the rate of  $4\frac{3}{4}\%$  pursuant to the provisions of Section 2(a) of the Teachers' and Inspectors' Superannuation Act, as enacted by Subsection 2 of Section 19 of the School Law Amendment Act, 1932.

The average effective rate of the sum total of these bonds is 2.86972, all of it payable, mark you, only in the lawful money of Canada.

#### LONG TERM BORROWING PLANNED

The credit of this Province, improving as it has, and the financial policy taking shape and commending itself to the investing public, let me say that, at the opportune time, this Government will again enter the money market and will offer for sale such debentures as are necessary for the carrying on of the business of the country, including the funding of any maturing Treasury Bills or other obligations and, now that the time appears ripe, we will probably secure some long-term money, for I believe that the time is opportune to make such a move.

#### TREASURY BILLS

During the present fiscal year, this Government has issued Treasury Bills in the sum of \$55,000,000 and, with the exception of \$2,000,000 short-term Treasury Bills purchased by the Workmen's Compensation Board and since redeemed by this Government, the Treasury Bills were all purchased by sundry Canadian chartered banks. The interest rate of the Treasury Bills varies from  $3\%$  down to  $2\%$  per annum. A full list of these Treasury Bills will appear with the printed copy of my address, likewise a statement of Treasury Bills redeemed or repurchased during the period from April 1st, 1935, to February 29th, 1936, and also a state-



ment of Treasury Bills outstanding as at February 29th, 1936. For the information of this House, I may say that at the present time the Treasury Bills outstanding amount to \$50,000,000, all payable in lawful money of Canada, all held by chartered banks of the Dominion of Canada and, with the exception of one issue that was made on September 12th, 1934, at 3% interest, the interest rates on the Treasury Bills now outstanding are  $2\frac{1}{4}\%$ ,  $2\frac{1}{2}\%$  for one issue, the currency of which is two years, and 2% on one issue which matures on June 1st, 1936.

#### HENRY ADMINISTRATION LEFT \$47,535,000 IN TREASURY BILLS OUTSTANDING

Just on this point of Treasury Bills let me make a statement about the load left behind by the previous Administration. I read recently some criticism about our having borrowed in Treasury Bills although we borrowed at rates of interest as low as two per cent, or less than half the rate paid by the Henry Government in the same fiscal year. But these opposition critics neglect to tell their audiences that when the Henry Administration went out of office on July 11th, 1934, it left behind its liabilities in the form of outstanding Treasury Bills amounting to \$47,535,000, bearing interest at from 4 per cent to 5 per cent per annum.

I would point out that we inherited this legacy of Treasury Bills and an overdraft of many millions in contractual obligations which, in the same fiscal year, bore interest at three or four or four and one-half per cent. My friends opposite also had \$67,000,000 in short term issues and contractual obligations of many millions more.

#### THE GROSS DEBT

Considerable curiosity has been expressed by honourable gentlemen opposite as to the amount of the debt increase of the Province of Ontario. Since I last had the honour of addressing this House, according to the Cassandra-like wailings of the Opposition, this Government was said to be increasing the gross debt this year by enormous sums. I think my friends opposite will plead guilty to stating that. The increase was stated as likely to be around \$90,000,000 or \$100,000,000. Well, Mr. Speaker, this Government succeeded the most extravagant administration in all Ontario's history. (Applause.) It had to carry on for a long time with the former Government's financial programme, but it has shown marked improvement. In the meantime it has been incumbent on this Government, because of the times in which we are and because of the depression and unemployment, to combine the elements of social justice with sound economic action. We have succeeded in doing this, as I shall point out to you later on in my address. But let me state to this House and to this Province that not only have we reduced expenditures and increased revenues and shown more prudence in our financing than the previous administration, but we have spent wisely and, instead of wasting money by foolish lending and by embarking upon improvident schemes, we have exchanged the hard-earned dollars of the taxpayers of this Province for either social or economic benefits. We have kept alive and well the people of this Province. We have remembered, as John Bright said, that "the nation dwells in the cottage" and our vital statistics will demonstrate that the health of the people of this Province was never better than it was during the present fiscal year.

I see my honourable friend, the ex-Treasurer, is straining his ears to find out whether we have increased the gross debt by \$100,000,000. Well, Gentlemen, we have—NOT. Nor have we increased it by \$75,000,000, nor by \$50,000,000.



(Applause.) We have increased the gross debt of this Province from April 1st, 1935, up to and including February 29th, 1936, by the sum of \$14,245,657.26.

We have actually serviced the debt of this Province, increased though it was by over \$61,000,000 in the last year of the Henry Administration, at a lower cost than for the previous year.

Before I leave this subject of the gross debt, if you will permit me, Mr. Speaker, I will say that against this increase in the gross debt of \$14,245,657.26, we had in the bank in cash on February 29th over \$8,000,000, so that, if you take the \$8,000,000 from \$14,245,657.26, you leave only \$6,245,657.26.

### FAILURE OF FORMER ADMINISTRATION TO REDUCE THE PROVINCIAL DEBT

We have made a good beginning. We are marching on to a balanced budget and to the pegging and even the reducing of the debt. (Applause.) I actually think I can discern a slight smile on the faces of my honourable friends opposite. It must be that my own smile is contagious.

Now, mark you, Mr. Speaker, these figures that I am giving you as to the gross debt position are as at February 29th, 1936, and I confidently believe that these figures, which are based upon actual operations for the eleven months and estimated operations for the remaining month, will be considerably improved when the final figures are brought in on the 31st of March, because the revenues of this Province are increasing every day and we are certainly holding down expenses as never before, considering the times in which we are. (Applause.)

### THE FUNDED DEBT

The funded debt as at March 31st, 1935, amounted to \$586,365,499.17 and—this is a most important statement—notwithstanding the tremendous demands made upon this Government, the funded debt has increased only by the sum of \$7,495,015.57.

I will give you an account of how this funded debt increased. If you will add to the funded debt that I have just stated as outstanding on March 31st, 1935, the new issues sold during the period, amounting to \$46,300,000, you will find that this totals to \$632,665,499.17. From this total should be deducted the following:

Issues maturing during the year and met in the exact terms of the contract.....	\$ 32,969,000 00
Purchased for Sinking Fund "AM and AN" Series....	860,700 00
Purchased for Sinking Fund, Registered Stock.....	117,034 43
Purchased—Succession Duty-free Bonds.....	921,250 00
Purchased for Debt Reduction (having the hard cash in hand which came in from increased revenues).	3,937,000 00
making a total reduction of.....	\$ 38,804,984 43
and leaving the funded debt as at Feb. 29th, 1936, at..	<u>\$593,860,514 74</u>

On the Opposition benches are two former Provincial Treasurers. Their smile is rather wistful to-day when I mention the matter of a balanced budget because, although both of them were Provincial Treasurers for some years and although one was Prime Minister and Acting Treasurer and then Treasurer, not in any year did either of them succeed in bringing down a balanced budget

or in reducing or even pegging the debt. On the contrary, during the Henry Regime, they increased the gross debt in four short years by the sum of \$182,389,000.

Did I say, Mr. Speaker, that neither of the honourable ex-Treasurers ever brought down a balanced budget? Yes, that is fact. One of them thought for a moment he had a balanced budget, or did he really think it? If he did think it, he did not consult his colleague, the ex-Attorney General and one-time Provincial Treasurer, because, if he had, the ex-Attorney General would have chided him severely on the way that he manipulated railway certificates and sinking fund instalments, interest on Municipal sinking funds and amortization of discounts on debentures in order to deceive the House and the Country into the belief that all was well in Queen's Park, as far as the public chest was concerned. For, I repeat, he had no surplus—in fact, examination of the Public Accounts for the year ended October 31st, 1933, showed that what was claimed as a surplus turned out to be a deficit. And what a deficit! \$3,734,720.03!

### ORDINARY REVENUE

Now, having told you something of the borrowings of this Government, and at the best borrowing is not a pleasant thing to talk about because borrowing implies repayment with interest, let us now turn to what might be called a brighter picture or, if not a brighter picture, at least a more encouraging one. That is, to the question of the Receipts and Revenues. Speaking on the Budget Address last year, I informed this House of my confidence that we would collect the amount of revenue shown in the detailed statement of estimated Ordinary Revenue. That hope has been realized and I am fairly well satisfied with the results as shown. I suppose, as Treasurer of the Province, it would be difficult to completely satisfy me with regard to the income and revenues. Last year we estimated that the gross Ordinary Revenue would amount to \$73,705,246.38.

### REVENUES EXCEED THE ESTIMATES BY OVER FIVE MILLION

According to the figures supplied me by the Provincial Auditor on February 29th, and according to the reports brought to me up to this morning, it appears to me that the total gross Ordinary Revenue for the present fiscal year will amount to \$79,014,075.83, an increase over the forecast by the handsome amount of \$5,308,829.45. (Applause.)

### PRINCIPAL SOURCES OF REVENUE

A few moments consideration of the sources of revenue and the amounts collected may well be taken at this time. In the case of the Gasoline Tax, we budgeted for \$15,000,000 net, and on February 29th, after paying refunds of over \$900,000 to farmers for tractor allowances and to other non-users of the highway we had collected from the Gasoline Tax the sum of \$14,383,517.17. So that, if we collect a sum of \$617,000.00 this month, net—and I am led to believe that we will—we will reach and possibly exceed the amount of the forecast, namely, \$15,000,000. (Applause.) In the case of motor vehicle licences, we budgeted for \$9,000,000. We have to-day \$8,400,000 and I fully expect that the forecast will be realized.

In the case of the Lands and Forests Department, we budgeted for a gross revenue of \$2,620,028.60. The gross revenue from the Lands and Forests Depart-

ment to February 29th amounted to \$3,109,363.59. In the Department of Mines, we budgeted for \$1,764,755.00. On February 29th the revenue collections for the Mines Department had reached the total of \$1,695,417.69, being more than was collected for the corresponding eleven months of one year ago. (Applause.)

I come now to the Treasury Department. I want to say at this point that when I took over the office of Provincial Treasurer, I do believe at that time that there was greater laxity in the administration of the Treasury Department than in any other department of the Government. I want to say now—and I think with pardonable pride—that along with the assistance of the officials of that department and especially that of the senior official, Chester Walters, I do believe that to-day the Treasury Department of this Province is the most efficient of any department of the Government. (Applause.)

The Treasury Department, which has been pretty well reorganized during the past year, shows impressive gains, as will be seen by the following figures. In the case of Corporations Tax we budgeted for \$7,600,000. On February 29th the collections were \$7,749,152.37, which was \$149,152 in excess of the forecast and \$1,321,781.56 more than the collections for the corresponding eleven months of the previous year.

#### NO INCREASE TO BE MADE IN RATE OF CORPORATIONS TAX

Here let me announce, Mr. Speaker, that it is not the intention of the Government to increase the Corporations Tax and, in this connection, let me state that the Corporations Tax of the Province of Ontario is lighter and less burdensome than is that of our sister Province of Quebec. This is for the benefit of honourable gentlemen who go about the country predicting that the capital and industry of this Province are going to move to Quebec and elsewhere.

#### SUCCESSION DUTY

The outstanding results of the operation of the Succession Duty Branch are most impressive and gratifying. We budgeted for \$9,500,000 in Succession Duties. I well remember the "oh's" and the "ah's" when this figure was read out last year, and someone of the Opposition remarked, "Do you think you will make it?" Well, we made it, Mr. Speaker, for at February 29th, 1936, there had been paid into the Treasury of this Province in eleven months a greater sum than has ever been collected in Succession Duties in any single year since the inception of the Succession Duty Act. (Applause.)

Let me read some of the collections of Succession Duties in former years. For the fiscal year ending in 1928, there was collected \$4,667,958. The next year it was \$6,610,381. In the next year, 1930, a banner year in which my honourable friend opposite was *not* the Provincial Treasurer and when values were at the peak, the collections were \$11,229,438 for twelve months. For 1931 the collections were \$9,504,814; in 1932, \$6,136,624; in 1933, \$8,081,322; in 1934, \$6,515,071, and for the short five-month period they amounted to \$3,469,467. The collections for the first eleven months of the present fiscal year amounted to \$11,360,596.50, an increase over the corresponding period of last year of \$4,514,832.67; (applause) and it will not surprise us one whit if we make the record of \$1,000,000 a month at the close of the year on March 31st next, and are able to show a twelve months' collection of \$12,000,000.



### SUCCESSION DUTY-FREE BONDS CANCELLED

I told you a few moments ago, Mr. Speaker, that during the present fiscal year the Government had bought in for cancellation Succession Duty-free Bonds amounting to \$921,250. I want to refer now to some abuses that have been practiced with regard to these bonds. You know, Sir, that some of these bonds have been up to this building for exemption from tax as many as five times. imagine \$921,250 of bonds carrying exemption from Succession Duty and the benefit being repeated four and five times. Surely such a thing was never intended when these bonds were issued back in 1909 and 1911. The late Hon. A. J. Matheson was, I believe, Treasurer at that time. I don't know whether this is a coincidence or not, but I might take the House into my confidence and say that a very careful and searching examination is being made into the whole question of Succession Duty-free bonds. Do you know, Mr. Speaker, that some years ago, when the executors came to settle the bill for Succession Duty with the Provincial Treasurer, they were never required to bring the bonds up to Queen's Park and show them to the Treasury Department officials, or to even give the numbers of the bonds; and, so far as the fyles go to-day, it is very difficult to identify some of the bonds, and it is almost as difficult to believe that these bonds were ever owned by the decedents, or to find out whether they were simply rented to the executors by brokers for the purpose of defrauding the Treasury of Ontario. But to get back to my coincidence, one of the leading brokers of Toronto, who has conducted quite a business in Succession Duty-free Bonds for some years past, is said to have sailed last week on a steamship from New York City en route for Europe, where he will make a conveniently long stay. I hope he didn't take all of his books and records with him. At any rate the investigating officers of the Provincial Treasury will be here when he returns.

### SUCCESSION DUTY-FREE BONDS ALSO FREE OF INCOME TAX

And now, these Succession Duty-free Bonds carry another advantage. They are altogether free from any Provincial taxation of any sort or kind. That means that they are exempt from the new Province of Ontario Income Tax Act. Although the Government of the day, when they issued these bonds, probably never anticipated a Province of Ontario Income Tax Act, some people might be of the opinion that this Government would be justified in inserting in the Income Tax Act a provision that these bonds should be taxed. This Government preferred to honour the obligation in its entirety and not interfere with the contract as it was found to subsist between the Government of the Province and the holders of these tax-free obligations. But let me give this warning, that when the owners of these Succession Duty-free Bonds that are now outstanding pass from this life, the bonds are not going to be passed on in order that the benefit may be further repeated, but they will be purchased by this Government in accordance with the provisions of the amendment of the statute passed some years ago, but rarely, unfortunately, acted upon.

Honourable Mr. Price: That amendment was passed in my time. It wasn't acted upon, I suppose.

Premier Hepburn: I do not know why it was not acted on. Well, it is being done now.

### TAX ON NATIVE WINES TO BE ABOLISHED

There is another tax that should be the subject of some comment and that is the tax of ten cents per gallon on native wine. This tax came into effect in



1932. We have collected \$112,496.11 from this source so far this year, and we may, before the 31st of March, collect the amount forecast, that is \$130,000, or very nearly the amount budgeted for. But we are repealing this tax because it is obnoxious to the grape growers. It is more difficult to collect than might at first be supposed, because it does not apply upon sales made to purchasers outside the Province of Ontario.

In speaking of taxation on wine, one is reminded that the history of taxation is the history of one social class endeavouring to roll the burden of taxation upon another; and not long ago I was reading an account of the first meeting of Parliament held in Upper Canada under John Graves Simcoe. At that time there was the Assembly and the Council. The Assembly introduced a measure to impose a tax on spirits and wine, and the Council threw the measure out, preferring a land tax; so that even in that first Parliament there was evidence of a divergence of opinion as to taxation. The Assembly was willing to tax the spirits and wine of the Council and the Council wanted to escape the tax on the articles they consumed and was willing to impose a tax that would yield a corresponding amount of revenue upon the lands of the Assembly and the people they represented.

#### THE AMUSEMENTS TAX REDUCED

The next and most important item of revenue to which I shall refer to-day is that of the Amusement Tax. This, Mr. Speaker, is a tax collected from the patrons of places of entertainment and amusement. We budgeted last April for \$850,000. We have collected up to February 29th, the sum of \$2,017,645.26. We found, after we increased the Amusements Tax last year, that it was necessary to alter the regulations, which we did, and on the first of this month there was a further lightening of these taxes by Order-in-Council which provided that in future entertainments held solely by bona-fide religious, educational and charitable organizations and which entertainments were solely for the purpose of raising revenue for religious, educational and charitable purposes, would be free of any Amusements Tax. We lifted the burden from these organizations because of the splendid part they are playing in assisting the people of this Province to carry on in these difficult times. (Applause.) I wish now to pay my meed of praise to the public-spirited people who have cheerfully carried on in the face of the imposition of this tax, which has not always been agreeable and which has been very difficult to administer, but has now been greatly reduced.

#### A PROPHECY FULFILLED

I think, Mr. Speaker, that my report of the revenue paid into the public treasury fully vindicates my prophecy of last year, when I predicted that the Government would collect the amount of revenue shown in the detailed statement of estimated Ordinary Revenue. Put that down, Mr. Speaker, as a prophecy of this Government that has been fulfilled. (Applause.)

#### CAPITAL RECEIPTS

Now then, I am coming to the Capital Receipts. By Capital Receipts I mean the coming in of moneys that are returned to us from accountable advances from loans and from the returns and repayments of expenditures made at some prior date. The total Capital Receipts forecast last year amounted to \$15,464,774. For some reason, last year not enough attention was paid to the question of Capital Receipts; at least, I do not recollect any extended remarks on the subject, but at

any rate this Government could not be accused of undue optimism with regard to Capital Receipts, for the results far exceeded the forecast of last year. From Works and Resources we have received \$7,653,746.86; from Loan Repayments, \$26,637,064.09; and from Trust Fund Deposits, \$961,680.83. I said we have received these amounts. I should have said we have received the major portion of them and we expect that by March 31st we will receive \$35,252,491.78, or considerably more money than was estimated in this respect.

One item in the gross Capital Receipts arises from a change in policy with respect to the financing of the Hydro-Electric Power Commission's projects; that I will deal with later on in my address.

### EXPENDITURES

Mr. Speaker, I now move on to the next stage of my report of the financial operations of this Province and shall deal with the expenditures; and here let me explain that the statements that I shall offer this House for the present fiscal year are based upon ten months' actual results and two months very carefully forecasted. Had time and circumstances permitted, I should have been able to present to this House a statement based on the eleven months' actual results and one month forecasted, but so much time has been taken up in the debate on the Speech from the Throne and the Income Tax Act that it was found absolutely necessary to move the Budget Address on at least one week.

Let me once more refer to the conclusion of my Budget Address last year, when I gave the promise of this Government that I would keep within the expenditures as shown in the statement of estimated Net Expenditures. May I also repeat what I said earlier in this address, that this Government was faced, because of the times in which we are, with the necessity of combining the elements of social justice with sound economic action. By this I mean to say that we had to consider the human resources of this Province and we could not be so stony-hearted as to deny payments of relief to our suffering fellow citizens. If this Government is worthy of censure and blame, I say, and I can shout it from the house-tops, that we have kept our pledge to keep within the estimated expenditures except in one respect and that is in regard to relief given to the starving and suffering people who, because of circumstances over which they had no control and because of bad fiscal policies under which the people of this country have lived, and from which I trust they are now set free because of something that occurred last October, except in one respect, I say, we have kept the faith and lived within the amount voted by Parliament. For our gross Ordinary Expenditures, forecasted last year to amount to \$73,311,593.25, will total this year not \$73,311,593.25, but \$72,147,039.85, a reduction, Mr. Speaker, in the estimated amount of the sum of \$1,164,553.40. (Applause.) I have already explained that this statement is based upon ten months' actual results and two months' forecast. My honest opinion is that, when all the accounts are put in after March 31st next, this showing will be made even better.

### REVENUE EXCEEDS ORDINARY EXPENDITURES BY \$6,867,035.98

Earlier in my address, I told you that the gross Ordinary Revenue for the fiscal year which will end on March 31st, will amount to \$79,014,075.83. The gross Ordinary Expenditures, not including unemployment relief and the administration thereof, will amount to \$72,147,039.85. Mr. Speaker and members of this House, with the exception of the Province of Prince Edward Island, in every

Province of this Dominion, the Provincial Treasurer who can produce a statement like that would claim a surplus on ordinary account of \$6,867,035.98. I think the Dominion Government follows the same practice and treats grants-in-aid and the cost of unemployment and the administration thereof as something extraordinary and not to be taken as ordinary expenditure. Had I followed the bookkeeping system of my honourable friends opposite, I could claim a surplus. (Applause.)

### RELIEF EXPENDITURES

Mr. Speaker, to the gross Ordinary Expenditures of \$72,147,039.85 I add, because it is sound practice to add this as an Ordinary Expenditure, the cost of unemployment direct relief in this Province less the grants-in-aid made by the Dominion Government, this cost being the staggering sum of \$20,363,645.05. This is a staggering sum, Mr. Speaker, but who can tell what discouraged men and women and helpless children it has saved from untold misery? But there are many relief racketeers and chisellers, some will say! Yes there are, and we have them, but, Mr. Speaker, let me say that as between a relief racketeer or chiseller and the purse-proud individual who, under a vicious order of things, has obtained more than his fair share of the social enjoyments of this life, there is little to be said in favour of either.

### AN HONEST STATEMENT

Returning again to my figures, I feel it my duty to report to this House and to the people of this Province not that I have a surplus of \$6,867,035.98, but to give the people an honest statement and say that our expenditures for ordinary account, added to the expenditure for unemployment direct relief and the administration thereof, exceeded the gross Ordinary Revenue by the sum of \$13,496,609.07.

### A COMPARISON OF EXPENDITURES

I shall give you a detailed account of my stewardship and show you how the money was expended. A statement will be included in the printed copy of my Address showing the expenditures by Departments, but before leaving this subject I shall pay some attention to the question of gross expenditures on ordinary account for this present year. In the Department of Agriculture we budgeted for a gross expenditure of \$1,994,453.00. That Department will spend \$1,888,-335.68. The Attorney-General's Department, we budgeted for \$2,367,245.00 and that Department will spend \$2,292,265.78. On Education, the amount of expenditure forecast was \$10,299,634.00. The expenditure for the present fiscal year will be \$9,985,708.81. Game and Fisheries, the forecast was \$450,375.00. The actual amount expended will be \$441,237.27. The Department of Health, the estimated expenditure was \$6,952,225. That Department will show expenditures of \$7,394,502.09, and here, Mr. Speaker, I must confess that we did not keep within the expenditure forecast, but public-spirited ladies and gentlemen came before a committee of the Cabinet, and very candidly and in a very convincing way laid before the Minister of Health and other members of the Cabinet and myself the necessity for extending further aid than we anticipated to the sanatoria, to the public hospitals and to the Homes for Incurables of this Province. Does anyone here, or anywhere within this Province, raise his voice in protest that we acceded to the demand made upon us and, in the name of mercy, gave that which was required of us?

The Department of Highways estimated a gross expenditure of \$4,455,307.00. Their expenditures will be less than forecasted and will amount to \$4,183,614.33.



Insurance Department, the expenditure forecasted was \$68,750.00. The actual expenditure will be \$67,977.33. Department of Labour, forecast, \$398,966.50; expenditure, \$379,498.72. Lands and Forests, Lands Branch, forecast, \$250,912.61; expenditure, \$247,344.81; Forests Branch, forecast, \$1,572,800.00; actual expenditure, \$1,534,545.29. Legislation Department, forecast, \$263,250.00; actual expenditure, \$262,185.02. Lieutenant-Governor, forecast, \$7,200.00. I am afraid we were too modest in estimating the requirements of His Honour's Department. This, of course, has nothing to do with the maintenance of Government House. However, the expenditures for this Department were very light and amounted to \$8,560.34. The Mines Department, forecast, \$272,875.00; actual expenditure, \$271,562.52. The difference between the forecast and the actual expenditure in that well-managed Department is some \$1,312.48. Municipal Affairs, this is a new Department and there was no previous year's experience to go on, and they forecasted gross requirements of \$79,650.00, which they exceeded by some \$4,000.00 and will spend \$83,959.62.

Northern Development, forecast gross ordinary expenditure of \$2,458,200.00 and they will spend \$2,458,833.20, but even honourable members opposite will admit that that Department has kept very close to the amount appropriated by Parliament, and I don't think in the history of the Province that the Northern Development Department ever came that near to expending an amount that so closely resembled the amount of supply voted. In fact, one of my colleagues tells me that they didn't even budget for the Northern Development expenditures in the old days. The next Department is that of the Prime Minister. I will say little about this Department except this, that I estimated my expenditure would be \$165,055.00 and the Provincial Auditor assures me I will only spend \$160,441.80. Well, Mr. Speaker, I have kept within the amount voted me by this House and will return a surplus. The Provincial Auditor estimated his requirements at \$115,500.00 and he will spend \$111,755.35. The Provincial Secretary budgeted for \$1,647,580.00 for his two branches and will spend \$1,472,428.06. Either the police force was less hard on the people or we had a higher standard of morality in this Province, because apparently we did not need as much money for maintaining the Reformatories and Prisons Branch as the Provincial Secretary anticipated. That is all to the credit of my honourable colleague at my right, Mr. Nixon.

The Provincial Treasurer—that is my Department—budgeted for \$885,911.14. We will expend \$1,032,263.92, but the officers of this Department, and I say this advisedly, are responsible in large measure for the satisfactory results that I have already brought before you. In Succession Duties alone, as already stated, they have brought into this Treasury \$4,500,000 more than was brought in for the last year; and in Corporations Tax, \$1,321,000 more than last year; and in Transfer Tax, \$81,000, and in Amusements Tax, \$1,348,000. Any time as Treasurer of this Province that I can spend \$150,000 over the estimate and get in an extra \$5,000,000 I think it would be difficult to find anyone who for a moment will say that that is not good business.

Public Welfare, we budgeted for \$4,721,045.00 and we will expend \$4,644,394.23. In Public Works, it was estimated that the gross Ordinary Expenditure would amount to \$688,610.00. The actual expenditure for the present fiscal year will be \$612,815.69. In this connection, let me say that during the last year, the Public Works Department undertook to look after most of the repair work for the Hospitals Branch. A year ago for repairs and alterations at hospitals there



was expended by the twelve Ontario Hospitals a sum of \$750,000. This year—and this is a remarkable showing—the cost of repairs and alterations in the same institutions for twelve months will be, not \$750,000, and not \$100,000, but somewhere around \$95,000, showing a saving in respect of the repairs and alterations at the twelve hospitals of this Province in one year of \$655,000.

### A COMPARISON OF RESULTS

When I consider that in the last year of the Henry administration the deficit was \$30,599,249.78 and that the addition to the gross debt in the same year amounted to \$61,633,000.00—and it would have amounted to another \$8,000,000 if this Government had not been returned because, let me tell my honourable friends opposite, although I should not need to tell them because they know it, they were increasing the debt of this Province at the rate of \$6,000,000 a month when there was a spending spree prior to the election held on June 19th, 1934, and when I consider this and realize that we have spent on unemployment direct relief and the administration thereof the sum of \$20,363,645.05, and that we have by all the rules followed by our sister Provinces a surplus of over \$6,000,000—but we prefer to look facts in the face and admit an excess of expenditures over revenue of \$13,496,609.07—I feel grateful to my colleagues and to their officials and to those loyal members of the Civil Service who stood by them and helped to bring about these results, I am also sensible of the part that has been played by the people of this country who are the real heroes, the taxpayers. They have been taxed, one might almost say, to the marrow, and they have given us an exhibition of fortitude and willingness to support the economic structure of this Province that is above praise. They have paid onerous and burdensome and sometimes obnoxious taxes with a degree of cheerfulness that reflects credit upon them.

But I can promise the people of this Province, as I will later in my address, that the remaining portion will commend itself to them even more than my remarks have so far; and I shall enlarge upon this when I come to that part of my task which has to do with forecasting the revenues and expenditures for the fiscal year upon which we are about to enter.

### CAPITAL PAYMENTS

Before leaving the subject of expenditures, I shall deal briefly with the subject of gross Capital Payments. The statement which I shall give you of gross Capital Payments for the fiscal year April 1st, 1935, to March 31st, 1936, like that of the Ordinary Expenditure, will consist of ten months' actual results and two months' forecast. The expenditures are as follows:

Works and Resources.....	\$23,007,994 60
Loan Advances.....	12,030,447 98
Trust Fund Repayments.....	878,871 13
Making a total of.....	<u>\$35,917,313 71</u>

The principal items that go to make up this total of \$35,917,313.71 are as follows; and a full and detailed statement of the items will be given in the copy of my address:—

Department of Health, \$150,966.45. This item is principally made up of the purchase of radium for the treatment of cancer.

The next important item is that of Highways, with expenditures of \$5,570,031.11. The amount forecasted to be spent upon highways was \$6,320,000. I may say that, according to the report of the Provincial Auditor, in the first eleven months of the present fiscal year, the Highways Department expended on capital account \$3,707,086.50, which is less than the expenditures for the same period a year ago by the sum of \$6,047,935.67.

The next item that I shall deal with is that of the Hydro-Electric Power Commission. Expenditures for the first eleven months of the present fiscal year amounted to \$310,000. Last year, for the same period, they were \$3,323,898.27, a reduction, Mr. Speaker, in eleven months of the handsome sum of \$3,013,898.27.

Next is the Lands and Forests. The amount expended for the first eleven months of this year is \$263,576.98. Last year the amount expended was \$397,756.07, or a reduction this year for the first eleven months of \$134,179.09.

The next Department is the Northern Development. According to the certified statement of the Provincial Auditor, the Department of Northern Development expended on Capital Account during the first eleven months of this year the sum of \$13,597,814.99. Mr. Speaker, that is a large sum of money, but it is less than the amount expended for the corresponding eleven months of the previous year, and the amount of the reduction is also a large amount, namely, \$8,575,-678.53. That is to say, that the Northern Development Department spent on capital account for the first eleven months of this year less than it spent for the corresponding period a year ago by over eight and a half million dollars.

The next item is the Prime Minister's Department. The expenditures during the year on capital account are \$779,066.22. But in the year previous, for the eleven months period, the amount expended was \$5,368,396.57, a reduction as compared with the corresponding period of last year of \$4,589,330.35.

The next Department is also mine. That is the Provincial Treasurer's Department, and the capital payments for the eleven months of the present fiscal year were \$496,659.88. For the corresponding eleven months of the year previous to the present fiscal year the payments were \$2,276,576.43, a reduction there, Mr. Speaker, of \$1,779,916.55.

In the Public Works Department, the expenditures for the first eleven months of the present fiscal year amounted to \$249,800.30. The expenditures for the corresponding eleven months of 1934 and 1935 totalled \$896,045.67, a decrease of \$646,245.37.

Miscellaneous net increases, \$389,815.92.

#### **CAPITAL EXPENDITURES REDUCED BY \$24,397,367.91**

In the total, let me say, Mr. Speaker, that the expenditures on capital account for the first eleven months of this present fiscal year, according to the statement supplied me by the Provincial Auditor and dated March 4th, 1936, eight days ago, amounted to \$30,007,200.66 and for the corresponding eleven months of 1934 and 1935 the capital expenditures were \$54,404,568.57; so that if my friends opposite have their pencils out and if they have taken the amounts down correctly, they will see that the total reduction in capital expenditures made by this Government for the first eleven months of this twelve-month fiscal period, as compared with the corresponding eleven months of the previous year, amounts to the sum of \$24,397,367.91. (Applause.) Those are the figures supplied by the Provincial Auditor.

## INTERIM STATEMENT 1A—GROSS ORDINARY REVENUE

Fiscal Year April 1, 1935—March 31, 1936

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	Detail	Gross Ordinary Revenue
1—AGRICULTURE.....		\$ 308,131.76
2—ATTORNEY-GENERAL.....		485,171.16
3—EDUCATION.....		110,887.22
4—GAME AND FISHERIES.....		679,027.00
5—HEALTH:		
Main Office and Branches.....	\$ 43,763.27	
Hospitals Branch.....	1,242,234.02	
		1,285,997.29
6—HIGHWAYS:		
Main Office—Miscellaneous.....	334,213.54	
Gasoline Tax.....	15,000,000.00	
Motor Vehicles Branch.....	8,741,284.11	
		24,075,497.65
7—INSURANCE.....		160,993.44
8—LABOUR.....		114,078.14
9—LANDS AND FORESTS:		
Lands Branch.....	721,548.17	
Forests Branch.....	2,552,013.45	
		3,273,561.62
10—LEGISLATION.....		15,614.41
11—MINES.....		1,714,804.73
12—MUNICIPAL AFFAIRS:		
Main Office and Municipal Board.....	6,042.52	
Housing Branch.....	161,594.16	
		167,636.68
13—NORTHERN DEVELOPMENT:		
Main Office.....	19,977.66	
Settlers' Loans Commission.....	14,498.96	
		34,476.62
14—PRIME MINISTER:		
King's Printer—Ontario Gazette.....		22,127.06
15—PROVINCIAL SECRETARY:		
Main Office and Registrar-General's Branch.....	339,708.35	
Reformatories and Prisons Branch.....	640,926.03	
		980,634.38
16—PROVINCIAL TREASURER:		
Main Office—Subsidy.....	2,941,424.28	
Interest.....	181,239.55	
Miscellaneous.....	13,603.92	
Liquor Control Board.....	8,060,000.00	
Controller of Revenue Branch:		
Succession Duty.....	11,600,807.60	
Corporations Tax.....	7,600,000.00	
Stock Transfer Tax.....	739,853.10	
Domestic Wine Tax.....	124,715.81	
Land Transfer Tax.....	188,868.63	
Law Stamps.....	348,875.70	
Miscellaneous.....	150.40	
Amusements Revenue Branch:		
Amusements Tax.....	2,130,215.77	
Theatres, etc.....	83,778.79	
Miscellaneous.....	4,129.63	
Board of Censors.....	97,022.01	
Savings Office—Refund of Expenses.....	235,552.67	
		34,350,237.86
17—PUBLIC WELFARE.....		83,533.76
18—PUBLIC WORKS.....		52,641.72
		\$67,915,052.50
PUBLIC DEBT—Interest.....		11,099,023.33
		\$79,014,075.83



## INTERIM STATEMENT 1B—GROSS ORDINARY EXPENDITURE

Fiscal Year April 1, 1935—March 31, 1936

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	Detail	Gross Ordinary Expenditure
1—AGRICULTURE.....		\$1,888,335.68
2—ATTORNEY-GENERAL.....		2,292,265.78
3—EDUCATION.....		9,985,708.81
4—GAME AND FISHERIES.....		441,237.27
5—HEALTH:		
Main Office and Branches.....	\$ 763,317.22	
Hospitals Branch.....	6,631,184.87	
		7,394,502.09
6—HIGHWAYS.....		4,183,614.33
7—INSURANCE.....		67,977.33
8—LABOUR.....		379,498.72
9—LANDS AND FORESTS:		
Lands Branch.....	247,344.81	
Forests Branch.....	1,534,545.29	
		1,781,890.10
10—LEGISLATION.....		262,185.02
11—LIEUTENANT GOVERNOR.....		8,560.34
12—MINES.....		271,562.52
13—MUNICIPAL AFFAIRS.....		83,959.62
14—NORTHERN DEVELOPMENT.....		2,458,833.20
15—PRIME MINISTER.....		160,441.80
16—PROVINCIAL AUDITOR.....		111,755.35
17—PROVINCIAL SECRETARY:		
Main Office and Registrar-General's Branch.....	120,151.81	
Reformatories and Prisons Branch.....	1,352,276.25	
		1,472,428.06
18—PROVINCIAL TREASURER:		
Main Office.....	389,510.15	
Controller of Revenue Branch.....	181,295.11	
Amusements Revenue Branch.....	82,731.77	
Board of Censors.....	14,013.22	
Post Office.....	129,161.00	
Savings Office.....	235,552.67	
		1,032,263.92
19—PUBLIC WELFARE:		
Main Office and Branches.....	558,551.40	
Old Age Pensions Commission.....	1,869,719.33	
Mothers' Allowances Commission.....	2,216,123.50	
		4,644,394.23
20—PUBLIC WORKS.....		612,815.69
MISCELLANEOUS.....		136,817.81
STATIONARY ACCOUNT.....		16,345.30
		39,687,392.97
PUBLIC DEBT—Interest, Exchange, etc.....		32,459,646.88
		72,147,039.85
ADD: Unemployment Direct Relief and administration thereof.....		20,363,645.05
		92,510,684.90

## INTERIM STATEMENT

Fiscal Year April 1, 1935 - March 31, 1936

10 Months Actual—2 Months Forecast—12 Months

## SUMMARY

Ordinary Revenue.....	\$79,014,075.83
Ordinary Expenditure.....	72,147,039.85
Excess of Revenue over Expenditure.....	\$6,867,035.98
Less: Unemployment Direct Relief and Administration thereof.....	20,363,645.05
Interim Deficit.....	\$13,496,609.07



## INTERIM STATEMENT 1G—GROSS CAPITAL RECEIPTS

Fiscal Year April 1, 1935—March 31, 1936

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	GROSS CAPITAL RECEIPTS		
	Works and Resources	Loan Repayments	Trust Fund Deposits
1—AGRIC. ULTURE.....		\$ 12,382.37	
2—ATTORNEY-GENERAL.....		9,462.46	
3—HEALTH:			
Main Office and Branches.....		100.00	
Hospitals Branch.....		290.00	
4—HIGHWAYS.....	\$2,671,454.18		
5—HYDRO-ELECTRIC POWER COMMISSION.....		14,154,990.09	
6—LANDS AND FORESTS:			
Lands Branch.....	49,636.12	52,403.55	
Forests Branch.....	9,091.09		
7—MINES.....	44,503.11		
8—MUNICIPAL AFFAIRS.....		267,838.00	
9—NORTHERN DEVELOPMENT:			
Main Office.....	84,671.07	9,081.84	
Settlers' Loans Commission.....		75,030.34	
Dominion Government:			
Trans-Canada Highway.....	4,678,240.91		
10—PRIME MINISTER:			
Public Service Superannuation Fund.....			645,668.34
11—PROVINCIAL TREASURER:			
Main Office.....		2,132,650.22	315,542.49
12—PUBLIC WELFARE:			
Boys' Training School.....			470.00
Dominion Government and Municipalities:			
Old Age Pensions Commission.....		7,926,420.10	
Mothers' Allowances Commission.....		1,842,032.23	
Unemployment Relief Branch.....		154,382.89	
13—PUBLIC WORKS.....	116,150.38		
	<u>\$7,653,746.86</u>	<u>\$26,637,064.09</u>	<u>\$961,680.83</u>

## SUMMARY

Works and Resources.....	\$ 7,653,746.86
Loan Repayments.....	26,637,064.09
Trust Fund Deposits.....	961,680.83
	<u>\$35,252,491.78</u>

## INTERIM STATEMENT 1D—GROSS CAPITAL PAYMENTS

Fiscal Year April 1, 1935—March 31, 1936

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	GROSS CAPITAL PAYMENTS		
	Works and Resources	Loan Advances	Trust and Repayments
1—AGRICULTURE.....		\$ 63,400.00	
2—EDUCATION.....	65,638.43		
3—GAME AND FISHERIES.....	16,139.83		
4—HEALTH.....	150,966.45		
5—HIGHWAYS.....	5,570,031.11		
6—HYDRO-ELECTRIC POWER COMMISSION.....	305,000.00	5,000.00	
7—LANDS AND FORESTS:			
Lands Branch.....	55,509.52	24,852.59	
Forests Branch.....	232,803.60		
8—NORTHERN DEVELOPMENT:			
Main Office and Districts.....	2,549,127.50	13,750.00	
Settlers' Loans Commission.....		25,000.00	
Colonization Roads Branch.....	211,500.00		
Trans-Canada Highways, etc.....	13,556,550.24		
9—PRIME MINISTER:			
Public Service Superannuation Fund.....			848,173.52
10—PROVINCIAL TREASURER:			
Main Office.....		554,333.05	30,697.61
11—PUBLIC WELFARE:			
Main Office and Branches.....	20,000.00		
Dominion Government and Municipalities:			
Old Age Pensions Commission.....		9,528,399.86	
Mothers' Allowances.....		1,815,712.48	
12—PUBLIC WORKS.....	274,727.92		
	<u>\$23,007,994.60</u>	<u>\$12,030,447.98</u>	<u>\$878,871.13</u>

## SUMMARY

Works and Resources.....	\$23,007,994.60
Loan Advances.....	12,030,447.98
Trust Fund Repayments.....	878,871.13
	<u>\$35,917,313.71</u>

## A REVIEW OF DEPARTMENTAL ACTIVITIES

I shall follow the custom of last year, Mr. Speaker, by making a brief review of the activities of the various Departments that expended these sums of money. These statements have been supplied me by the Ministers of the various Departments. I have examined them, and, for the sake of economy of space, I have had to condense many of the statements. I regret this. My colleagues will understand that time is passing and that I cannot detain this House too long, but I shall read to you what may be said to be a summary of the activities of the Departments. First I shall take the Department of Agriculture for, as you know, I am a farmer myself and I recognize that agriculture is the basis of the prosperity of this country.

### DEPARTMENT OF AGRICULTURE

Last year I discussed the work accomplished by the Milk Control Board and am pleased to be able to state that the work during the twelve months since that time has increased in its usefulness, and while they have been able to apply themselves only to the whole milk problem, yet the improvement of prices for whole milk and particularly the maintaining of prices during the summer months has had an effect on all milk prices. The Cheese Producers' Association, which consists of farmers who milk cows for making cheese, has completed its organization; the Creamery Producers' Association, who are the producers of cream, are organizing at the present time, and the Milk Producers for manufactured milk have got their organization under way. Dairying is a substantial part of Canadian agriculture, and with these four classes of farmers who supply milk for different purposes organized in the Province, we confidently expect to be able to improve the condition of the dairy farmer, always remembering, of course, that a market is the most important thing for him.

During the past year, seed cleaning plants have been established, and the organization for the destruction of weeds has been improved, all of which will make for better crops.

Several cold storage plants have been erected during the past twelve months and are now operating, and if a satisfactory terminal market can be organized, the fruit and vegetable growers' position will be greatly improved.

Definite plans are being prepared between the Ontario Department of Agriculture and the Federal Department of Agriculture for the solution of marketing problems, the Federal Department agreeing to undertake the export marketing problems while the Province will confine its efforts to the work of marketing within our own country. This will be a division of effort which, when co-ordinated, should improve both our export trade and our home market.

### DEPARTMENT OF THE ATTORNEY-GENERAL

The amalgamations and reorganizations spoken about in last year's Budget Address have been carried out with additional savings to the Province and the municipalities, and the anticipated saving of \$100,000, which was mentioned as the goal with respect to the amalgamation of the offices of Local Registrar of the Supreme Court, Clerk of the County Court, Registrar of the Surrogate Court and Sheriff, have been realized. At the present time, it stands at over \$110,000 and is fairly complete. Even where there has been no amalgamation in the offices, the fees of the officers have been commuted at substantial savings to the Province.

The distribution of law stamps on a commission basis has been entirely done away with and put in the hands of the Registrar of the Surrogate Court at no additional increase in emoluments. This reorganization carried out in the Attorney-General's Department is a saving of from \$12,000 to \$15,000 to the Treasury Department.

The grouping of Registry Offices which is under way will save the Province at least \$12,000 and a similar amount will be saved to the municipalities.

By sending out the solicitors in the Attorney-General's Department to prosecute at the Assizes instead of appointing outside counsel, the Attorney-General has saved the Province from \$15,000 to \$20,000.

The Ontario Securities Commission, instead of being a liability on the Province as it was in the days of the old Government, is now an asset. During the former regime, the administration of this Department showed a deficit of nearly \$14,000. Under the present administration, there is an excess in revenue over expenditure of over \$50,000, this in spite of the fact that the work of this branch of the Department has probably increased 500%, and nearly \$1,000,000 of the public's money has been recovered by the Commission, much to its credit. (Applause.)

The Public Trustee's office is self-supporting by means of a small percentage levied on the estates being administered. In this Department, there was an Advisory Committee of three persons which cost \$4,500. This Advisory Committee has been substituted by the appointment of salaried officials in the Government service, and thus the amount of \$4,500 is saved for the estates being administered.

The Fire Marshal's office has been completely reorganized and an Advisory Committee appointed with representatives of the Fire Insurance Companies on it, to assist in the administration of this important office. This office is also self-supporting by means of a tax on insurance companies.

#### DEPARTMENT OF EDUCATION

The Department of Education finds a place among the spending departments of the Government. Its appropriation last year was reduced below the expenditure of the previous year by more than a million and a quarter dollars. It has been able, nevertheless, to keep its expenditures for the current year well within the limits imposed by the Legislature a year ago. This has involved of necessity a reduction in the aid given by the Province to the several classes of schools constituting our educational system. By reason of the co-operation of local educational authorities, it has been possible to maintain unimpaired the services rendered by the schools of the Province.

Announcement was made a year ago of the decision to forego the collection of fees for the writing of department examinations. That change has involved a saving to the parents of children writing these examinations of more than \$100,000. (Applause.)

The continued depression has borne heavily on many school sections in the newly settled districts and on urban centres where the closing of industries has deprived large numbers of regular employment. Peculiar difficulties have been encountered in maintaining schools in these communities. The Department of Education is asking this year for a slightly increased appropriation to the end



that further and necessary assistance may be granted to the poorest school sections of the Province.

During the period since the introduction of technical and vocational education in this Province, more generous aid has been given to the schools providing that type of training. Now that these schools have made an assured place for themselves in most of our larger urban centres, it is felt that they are justified in relying to a larger extent on the support of the local community. It is proposed that the Provincial grants to these schools shall be reduced somewhat, and that the moneys expended on secondary education be distributed more evenly between the high schools and collegiate institutes, on the one hand, and the technical schools on the other.

Previous administrations had followed the practice of giving the guarantee of the Province to the debentures of municipalities for the payment of the cost of erecting school buildings. The indirect liability of the Province assumed in this manner amounted to slightly more than \$3,000,000 when this administration assumed office. Since that time, with but one exception, all requests for the guaranteeing of such debentures have been refused, and in that single case the Province is amply protected by the assignment of municipal revenues more than sufficient to meet debenture payments. Provision must be made, however, for the cases, increasing in number, in which the Province is being required to make good its guarantee.

Last year reductions were made in the grants paid to the Provincial University, to Queen's University and to the University of Western Ontario. I am pleased to be able to inform you that no further reductions are contemplated this year.

#### DEPARTMENT OF GAME AND FISHERIES

The Department of Game and Fisheries is charged with responsibility of regulating commercial and sport fishing, game and fur trade throughout the Province, and it is gratifying to note a decided improvement in the past year in the commercial fishing industry in the Province due, not to a small extent, to the slightly increased prices on the market of commercial fish. It is also worthy of note that in some of the lakes, particularly that of Lake Huron, those engaged in the commercial fishing industry have enjoyed a larger catch, particularly of trout and whitefish in the year 1935.

It is reasonably estimated that in excess of \$70,000,000 was expended in the Province of Ontario alone in the year 1935 by tourists, and while the Department is making every effort to perpetuate the game fish in various lakes and streams for the benefit of healthful recreation of our local sportsmen, we also have in mind the maintaining or even increasing of this revenue from tourist trade. In the fiscal year of 1933 to 1934, the Game and Fisheries Department was in receipt of approximately \$128,000 from non-resident angling fees whereas this particular revenue increased to \$201,345 for the season of 1935, due partly to the abolishing, of course, of the \$1 three-day angling license that was in existence in this Province in the year 1933-1934, and partly to the increased tourist trade during the past year.

#### DEPARTMENT OF HEALTH

A few words, Mr. Speaker, as to the activities of the Department of Health.

The plan for more complete integration of the two branches of the Department was, as you know, completed during the year. This measure has resulted

in certain warranted economies, without evident loss in the effectiveness of the essential services operated by this Department of the Government.

### INSULIN AND BIOLOGICALS

A reduction in the appropriation required for the prevention of communicable disease has come to pass through rigid control in the distribution of free biological products and sera.

It is hoped to further reduce the expenditure resulting from the free distribution of insulin by asking the municipalities in which the recipients reside to bear a small percentage of the cost. A municipality spending its own money is more likely to be concerned as to the circumstances of the applicant for free treatment. The careful screening of those receiving free insulin has already resulted in a considerable saving.

### CANCER CONTROL

The Committee appointed last year to advise the Department in the field of cancer control has made certain reasonable recommendations which it is hoped to implement without materially increasing the appropriation for this service. Two of the recommendations which have already received approval are: (1) adoption of the standardized method of reporting all cases treated at the Government clinics in order that accurate data as to the effectiveness of the present programme may be available; (2) an effort to insure more proportionate distribution of radium throughout the Province.

The number of cancer clinics has been increased from five to seven; the practice of distributing the so-called seeds containing radium emanation has been continued to physicians qualified in its use.

The cost of radium for treatment purposes has been materially decreased as a result of the discontinuance of the former policy of renting radium from the Radium Chemical Company of New York and the purchase from the Eldorado Gold Mines, a Canadian concern, of three and one-half grams of radium at \$25,000 less than the nominal value placed on the same amount of radium which was being held under rental from the New York Company.

### TUBERCULOSIS

The efforts of the Department to lessen the amount of Tuberculosis have been both better directed and materially increased during the year just passed. The practice of having one clinic operating out of a central office has been discontinued and a number of clinics, all equipped with portable X-ray, are now strategically placed to give special attention to those parts of the Province where the death-rate from Tuberculosis is approximately twice the average rate for the Province as a whole.

### CARE OF MENTALLY ILL

The care of the mentally ill continues to be a matter of prime importance. Unfortunately the requests for care continue to increase; the Department has adopted a plan of using boarding-homes for the care of suitable convalescent cases under supervision—as provided in the legislation introduced by my honourable friend, the Minister of Health, last session—thus obviating the necessity

of a considerable capital outlay for increased hospital accommodation in Southern Ontario.

Maintenance cost per patient per day has been reduced by 8.7 cents during the year as a result of the boarding-home scheme coupled with careful administration of the Hospitals Branch.

### THE DEPARTMENT OF HIGHWAYS

The Department of Highways reports that its gross expenditure will be below the sum provided for in the Estimates last year. A comparison between the money provided and expended is of interest:

	Estimated and Voted, 1935	Expenditure to Feb. 29, 1936	Estimated to complete year
Ordinary.....	\$4,455,307 00	\$2,651,999 07	\$1,500,000 00
Capital.....	6,320,000 00	4,483,387 80	850,000 00

Both expenditures, Ordinary and Capital, included in the estimate of the balance of the year are almost entirely made up of repayments or subsidies to counties and municipalities.

The estimate of the gross revenue to be obtained from this Department last year was as follows:

Capital.....	\$ 1,270,000 00
Ordinary.....	24,288,500 00

It is expected that the amount actually received will be in excess of these figures, as the following statement of the revenue already collected indicates:

Capital.....	\$ 2,554,926 56
Ordinary.....	22,445,797 42

This showing is particularly gratifying when one considers the obstacles which it has been necessary to overcome this winter by reason of the extremely heavy snowfall and continuous cold weather. Many roads have been obstructed to a greater degree than in any winter during the last 15 years, with the necessary result that revenues declined.

The work of this Department was, of necessity, curtailed last year, maintenance being cut to the lowest possible figure. Despite this fact, however, with 184 miles added to the Provincial system, the Department will spend less than in the previous year.

Part of the work undertaken this year and chargeable to Capital Account consisted in the completion of the previous year's commitments. Dangerous grade crossings have been eliminated and on this account the Province has received substantial assistance from the Federal Government. The Province has also spent, in conjunction with the Federal Government, a considerable sum of money in completing several sections of the Trans-Canada Highway between Hawkesbury and Pembroke.

Through the Department of Highways, the Province has been paying since April 1st last 100% of all King's Highway costs. Many of the counties of the Province are still in the process of paying the 20% assessment that was made against them during several years of construction prior to the assumption of office of this Administration. I would like to say here that the Provincial Govern-



ment appreciates the efforts being made by the counties and municipalities to pay these old accounts.

This year the Department of Highways hopes to be able to carry out a moderate programme of work, particularly on the older sections of the main roads where, because of deterioration, disintegration or the narrowness of the highway, reconstruction has become necessary if our roads are to be capable of carrying the traffic they must bear.

#### MOTOR VEHICLES BRANCH

Permits and licenses were this year made available on November 1st, with the result that during the months of November and December revenue of almost \$1,000,000 was collected while these same months of 1934 produced only a little more than \$110,000.

At the close of business, February 29th, the number of passenger cars registered was almost 10% higher than on the same date in 1935. The number of vehicles of all classes registered during the calendar year 1935 set a new high record and there is evidence that this year this total will again be surpassed, which, of course, will mean higher revenue.

#### HYDRO-ELECTRIC POWER COMMISSION

The financial relations of the Province and the Hydro-Electric Power Commission are largely those of a banker and an industrial concern which has obtained advances from time to time for the extension of its business.

The total capital invested in the undertakings of the Commission is slightly over \$305,000,000, the chief items being:

Niagara System.....	\$210,130,183
Georgian Bay System.....	8,478,201
Eastern Ontario System.....	20,096,487
Thunder Bay System.....	18,669,882
Northern Ontario Properties.....	30,356,866

and the balance being accounted for by general office and service buildings, construction, plant, electric railways and miscellaneous assets.

Included in this total are grants by the Government made from time to time during the past 15 years, in aid of the construction of rural power lines, totalling altogether up to October 31st last year \$9,489,661. This sum is the only part of the capital of the Commission upon which the Government pays the interest charges. The cost of renewals upon this capital is borne by the rural power consumers, so that there is no contingent liability. These grants-in-aid of rural construction will be continued during the present year. It is assumed that the construction programme mapped out will add 838.6 miles to the various rural systems and increase the number of customers to the extent of 6,413 at a cost to the Government and the Commission, borne equally, of \$2,079,848. We are thus providing for the extension of vital necessary services throughout rural Ontario at a cost this year of somewhat over \$1,000,000 for new construction and almost \$450,000 for interest upon the money already advanced by the Province for the construction of rural lines.

By far the largest part of the annual cost of electric energy in the Province of Ontario is the amount required to pay the interest on the great capital invest-

ment of which I have spoken. During the year ending October 31st, 1935, the Hydro-Electric Power Commission, out of a total expenditure of \$33,888,056, paid in interest \$13,085,405. Of this great sum, \$9,544,023 was paid to the Treasury to meet the interest charges upon that portion of the Provincial debt incurred for the purpose of making advances for hydro-electric power construction. These advances, up to the end of October, 1935, totalled \$207,002,750, less repayments of \$21,831,698, which have been made by the operation of the sinking fund provisions of The Power Commission Act. Interest has been credited to the Commission upon the total of the repayments at the same rate charged by the Province to the Commission for the advances made. In addition to these cash repayments, the Commission has collected approximately \$2,000,000, of which \$3,643,201 stands invested in Province of Ontario bonds, and the balance is held for investment in similar securities.

In connection with the Northern Ontario Properties, the Commission is setting aside some \$825,000 in Provincial securities, which are held in respect of reserve; the balance of the reserve on the Northern Ontario Properties is used to provide working funds.

A far-reaching change has been inaugurated in the relations between the Government and the Commission under which issues of new capital, and the refunding of Provincial loans issued originally for the purpose of financing construction works of the Commission, will be made hereafter in the form of bonds of the Commission guaranteed by the Province, instead of as heretofore by the issue of bonds of the Province shown in the Public Accounts as a direct liability of the Province. The chief advantage from this change will be the segregation of revenue-producing assets to the extent of \$185,000,000 from the direct liabilities of the Province.

These great advances are now represented by bonds of the Province. The word "debt" is not properly applicable to them. They form in reality capital corresponding to that of a private company's bonds, which always have earned and will continue to earn not only interest but sinking fund and renewal reserves sufficient to liquidate the entire capital investment of the Hydro-Electric Power Commission within the maximum period of 40 years from the various times at which that capital was invested, and to have an up-to-date plant at the end of the amortization period, without additional capital investment.

In recent developments in the North-western part of the Province for the sole purpose of providing power for mining operations, the amortization period set by the Commission for the return of capital is as low as ten years. Speaking generally, I think it is reasonably certain that the \$30,000,000 now invested at the risk of the people of Ontario in the region north of the French River will not fail to return sufficient annual revenue from this time forward to meet not only interest, but sufficient sinking fund and renewals reserves to retire the capital and maintain the various plants in efficient condition. There is a possibility, before many years have passed, of some profit to the people in providing power in that portion of the Province. Without these developments a very considerable part of the output of the gold mines could not have been made profitable, and the people of Ontario would have been deprived of one of the principal factors in recovery from the depression.

I have not spoken of the anticipated effect upon the interest payments of the Hydro-Electric Power Commission of the refunding of Provincial loans in

the form of direct bonds of the Commission which has been begun. The first of these refundings took place in December and will not be found in the transactions of the Commission during the year ending October 31st, 1935. I may say, however, that up to the present time securities of the Province in an amount of \$11,000,000 have been replaced by bonds of the Commission. The major part of the Provincial bonds retired bore interest at the rate of six per cent. The securities of the Hydro-Electric Power Commission that have replaced them, were issued at a price yielding approximately 2.58%, an average saving on this refunding operation of not less than \$325,000.

Of the \$76,000,000 of capital issued for the Chippawa-Queenston development some \$60,000,000 will fall due within the next seven years. Assuming that this can be replaced at an average rate of interest of less than  $3\frac{1}{2}\%$  as compared with the 6% now paid for almost all of these securities, the refunding operation in connection with Queenston development will result in a reduction of the amount of interest paid annually by the Commission by \$1,500,000 yearly at the close of the seven-year period of conversion.

By this reduction in interest rates alone the wholesale cost of power supply by the Hydro-Electric Power Commission will be reduced to the extent of over one dollar per horsepower per year, assuming that in the seven years from now the load of the Commission in the Niagara District will have increased to 1,500,000 horsepower. The most rigid economy in the Operating Department of the Commission could not produce anything like the same proportion of reduction in the cost of power. I am assured that the Commission is constantly on the look-out for operating reductions as well as for these larger reductions made possible by lower interest rates on new capital and by refunding of that now used in the business of the Commission.

#### DEPARTMENT OF INSURANCE

The Department of Insurance has compiled data to show, in respect of Ontario mortgages held by Life Insurance Companies, Loan and Trust Companies, the total principal outstanding and the situation as to the collection of principal and interest which fell due during each of the years 1934 and 1935, excluding payments of principal and interest which were outstanding from previous years. According to the returns made to the Department, life insurance companies, and loan and trust companies had outstanding principal respecting Ontario mortgages at the end of the last two years as follows:

At December 31st, 1934.....	\$312,441,182 19
At December 31st, 1935.....	298,000,235 08
Decrease.....	\$ 14,440,947 11

Available figures show that, of the mortgage principal of \$47,605,359.95 which fell due in 1935, \$14,072,336.83 or 29.5% was collected, which is a substantial improvement over 1934, when only 20.5% of principal falling due in that year was paid. However, the fact that less than 30% of the principal which became payable in 1935 was actually paid is evidence that the mortgage market is still in a state of stagnation.

#### LOAN AND TRUST COMPANIES

Loan and trust companies have had a decreasing amount of funds for investment during the past year owing to a reduction in clients' funds for invest-



ment, the source of supply from which the great bulk of their investment money is made available.

An analysis of the bonds, etc., held by these companies shows as follows:

Government and Government Guaranteed.....	\$36,228,553
Municipalities.....	14,578,652
Miscellaneous Bonds.....	13,610,536
Stocks.....	16,324,217
	<u>\$80,741,958</u>

#### LIFE INSURANCE

Returns filed with the Insurance Department by life insurance companies show total life insurance in force in Ontario at December 31st, 1935, as approximately \$2,785,000,000, an average of slightly over \$1,000 per policy. This represents an increase of about \$68,000,000 over the amount at December 31st, 1934. Ontario policyholders paid into these companies by way of premiums over \$87,000,000 and received back over \$63,000,000 in death claims, etc., as follows:

LIFE INSURANCE	
Death Claims.....	\$17,116,886
Matured Endowments.....	5,747,934
Surrender Values.....	26,224,572
Dividends.....	11,898,963
Other payments.....	2,296,160
	<u>\$63,284,515</u>

#### FARMERS' MUTUAL INSURANCE COMPANIES

There are 71 farmers' mutual insurance companies in the Province of Ontario. Three of these are weather insurance companies writing 30% of the weather insurance written in Ontario. The other 68 are fire insurers carrying 85% of the insurance on farm property in force in Ontario.

#### DEPARTMENT OF LABOUR

The Ontario Government Offices of the Employment Service of Canada continue to co-operate with relief departments in an effort to secure employment for as many men and women as possible, and many of these departments require all applicants for relief to register at the employment office. At present 10,000 fewer workers than a year ago are registered as unemployed at the employment offices in Ontario.

During the last year, the Employment Offices placed 4,000 men on farms during the spring and summer months and, through co-operation with the Department of Northern Development, placed 2,000 men on Trans-Canada highway work since August 1st. Altogether, 122,324 placements were made by these Offices in the first ten months of this fiscal year.

With the improvement in business conditions in the manufacturing industries of the Province, disused factory buildings are being opened up again and many workers are being put to work after considerable period of unemployment.

#### DEPARTMENT OF LANDS AND FORESTS

Last year when I dealt with the Department of Lands and Forests, I pointed out the adverse conditions that obtained for some years back, and referred to

the concrete efforts by the present Government to lend encouragement to bush operations and thus bring into gainful employment thousands of men who would otherwise be subject to direct relief. As a result of a reduction in stumpage dues and an impetus to manufacturing, the operations in the bush added thousands of men to the pay roll and brought about a remarkable increase in the output of the forests.

The cut of pulpwood was in excess of the year 1933-1934 by 20%, there being 600,000 cords cut from Crown lands as against only 500,000 for the season mentioned. Ties to the extent of 738,261 were cut, or an increase of over 300,000, all of which figures clearly indicate that given a fair chance of meeting competitive factors, those directly interested in the development of the forest products' industry are prepared to pursue their trade and thus enlarge the possibilities of improved economic relations, hitherto restricted. A continuation of the reductions applicable to the present operating year will, it is generally conceded, produce results in the lumbering business equally gratifying. During the five-month period covered by the Public Accounts, the total gross amount received from all Forest sources was \$379,674.97, or an increase over a like period for the previous year of over a quarter million dollars.

#### DEPARTMENT OF MINES

In the volume and variety of its mineral production, Ontario is easily first among the nine Confederated provinces. The total value of the output of metals and non-metallic products for the year 1935 is placed at \$152,600,000, as compared with \$145,854,000 last year. This Province accounts for over 52% of the entire mineral production of the Dominion. The metals that figure chiefly in our mining industry are gold, nickel, copper, platinum, silver and cobalt. There are other products of much importance but the first four I have mentioned make up much the greater part of the returns from our mineral industry.

Of gold, the production for last year was 2,150,000 ounces, worth \$75,250,000 an increase over 1934 of \$2,850,000. We expect another considerable increase in 1936. There are now 44 gold mills, large and small, turning out bullion.

Nickel is a distinctive feature of our mineral industry, since Ontario supplies about 85% of the world's consumption. The output of last year had a value of about \$35,370,000, an increase over 1934 of \$3,250,000. Copper is now a leading product in point of tonnage, since the mines of Sudbury, the main sources of both metals now turn out nearly two pounds of copper for one of nickel. Copper production in 1935 amounted in value to \$18,638,000, as against \$14,822,000 in 1934. Platinum metals have come to figure importantly, as is seen from the fact that out of a total world consumption of 400,000 ounces in 1934, Ontario supplied 209,109 ounces, valued at upwards of \$6,000,000.

The importance of the mining industry in the economic life of Ontario can hardly be over-estimated. The lifting of the heavy load of depression seems to have definitely begun, and it is our good fortune that the mining industry is simultaneously increasing in activity and production. In 1934, the value of the purchases made by the mines in this Province amounted to \$35,072,000, and in 1935 to not less than ten million dollars more. They employed no less than 23,000 men, whose wages averaged about \$1,400 a year. They supported a population of approximately 100,000. Thus, mining is helping to settle the

North, and provides a market for the production of Southern Ontario farmers, merchants and manufacturers.

The increase in the price of gold from \$20.67 to \$35 an ounce has converted millions of tons of waste rock into profit-making ore. It is prolonging the life of all gold mines, perhaps doubling it, and is doing the same to the communities which depend on gold mining. It is perpetuating the market for our farmers and manufacturers. Villages are growing into towns and towns into cities. Old gold mines, abandoned 30 years ago or more, have felt the vivifying influence of this increase. Lake of the Woods, Seine River and Eastern Ontario are beginning once more to produce bullion. New fields in Patricia, Red Lake, North Shore of Lake Superior and in many other places, hear the noise of mining machinery and the clangour of gold mills.

Taxes on mining profits increased from \$1,073,834 in 1934 to \$1,400,656 in 1935.

In view of the importance of this industry, it is proposed to allot an additional sum to the Department of Mines for the enlargement of its fruitful work. The Department will send out into the field, next summer, twice as many geological survey parties as it did in 1935, and more prospector classes will be held. On the other hand, steps have already been taken to collect the arrears of acreage tax which has been allowed to accumulate for more than twelve years, and to throw open to the prospectors vast areas or territory which had been allowed to lay dormant and unexplored for more than a decade.

Before leaving the subject of the Department of Mines, I should like to take this opportunity of paying tribute to a valuable servant in the Department, Thomas W. Gibson, former Deputy Minister of the Department of Mines and now consultant of that Department. Mr. Gibson entered the service of the Ontario Government in June, 1880, so that in June next he will have completed 56 years of service. (Applause.) This is a record of which Mr. Gibson may well be proud, and the Province may also regard with pride and gratitude the faithful service that Mr. Gibson has given. He is still active and alert, and his loyalty and experience and mature judgment are of inestimable value to his Minister and to his Department.

#### DEPARTMENT OF MUNICIPAL AFFAIRS

The new Department of Municipal Affairs, created by the present administration, is already performing an important and beneficial function in the life of the Province. Its three principal purposes have been:

1. Supervision of municipalities in financial distress.
2. Improvement in municipal accounting and audits.
3. Improvement in compilation and publication of municipal statistics.

There were at the end of the calendar year 1935, 32 municipalities under the close supervision of the Department because of their defaults. Only one new one has been added since I last spoke to you in a Budget Address. That one is the town of Blind River, which was affected by the cessation of operations in 1935 of its one sustaining industry.

The remaining supervised municipalities are those which were in default at the time the Department was established and during the past year considerable



progress has been made in rebuilding their current position so that the debts may be reorganized. It is anticipated that during 1936 some 10 to 12 refunding plans will be formulated and presented to creditors for their consideration.

The close analysis made by the Department showed in some cases that efforts to pay full interest were resulting in a further downward trend in current position, and therefore interest was either suspended or only partially paid until further improvement can be effected.

In 1936, the Department plans to have included in all budgets an appropriation for total or partial interest and an interest levy will be imposed.

Before passing on from reference to these 32 places, may I point out two important facts. One is that, generally speaking and except for these few places representing less than 4% of all our municipalities, the municipal affairs of this Province are on a sound basis, and loose talk of general instability of municipal finances is entirely baseless.

The total taxable debt of our urban municipalities is less than 12% of taxable wealth upon the assessment rolls. Rural Ontario has a total bonded debt of only \$8,000,000, or less than \$10 per capita.

The next remark I have to make is to correct the impression created by certain statements which have gained considerable circulation that defaults among our municipalities are about 120 million dollars, or one-quarter of the total bonded debt of all municipalities. That is far from fact.

At the end of 1935, the total debt past due and unpaid was about \$16,000,000 of principal and about \$5,000,000 of interest, or a total of approximately \$21,000,000. That is the amount in default and the remainder of the debt of these supervised communities is not in default because the time for its payment is not yet here.

#### **DEPARTMENT OF NORTHERN DEVELOPMENT**

When we consider the area of all of Ontario as 412,000 square miles, it is found that the vast area of Northern Ontario comprises 345,000 square miles and contains great natural resources including agricultural land, forest products, minerals, water powers, fish, game and fur-bearing animals, as well as an ideal playground for tourists.

In the Budget Speech of last year, the mileage of roads was given as 15,600 miles while at the present time 15,848 miles of road are open to traffic. Of this total mileage, special mention should be made of the fact that on July 1st, 1935, the road from Fort William to the Manitoba boundary, comprising 338 miles, was officially opened, thus creating a continuous link of the Trans-Canada Highway open for traffic from Nipigon to the Manitoba boundary, a distance of 412 miles. This extra mileage was constructed after careful surveys had been made to get the best alignment, vision and grades. As the mileage of roads increases from year to year, it will call for larger maintenance expenditures, but to offset some of this, stabilized gravel road surfaces are being constructed. This work has been carried out to eliminate the dust nuisance and resultant accident hazard and to establish a base on which a more permanent surface can be constructed at a cheaper cost, when traffic warrants.

Negotiations have been carried on with the Federal Government, particularly in regard to sharing an equal part of the cost of completing the Trans-

Canada Highway. The unimproved and untouched gap (125 miles) designated by the present Government from North Bay to Sault Ste. Marie to White River has recently been approved by the Ottawa Government. In addition to this, as a result of the Dominion-Provincial Conference, held in December last, it is expected several other roads, that will be a benefit to Canada as a whole, will be jointly undertaken.

Agreements were made during the present fiscal year with Ottawa which made available to the Province additional funds so that work might be continued without exceeding the estimates for the present fiscal year. The programme of road construction in Northern Ontario in the future will depend on the annual approval of the Dominion Government.

## PROVINCIAL SECRETARY'S DEPARTMENT

### PRISONS AND REFORMATORIES BRANCH

The Prisons and Reformatories Branch of the Provincial Secretary's Department has to deal with the age-long problem of caring for those who for violation of law have been committed to prison.

The benefits of classification of prisoners are obvious—to lessen the danger of contamination by separating the young from the older prisoners, the more susceptible from the more hardened, to more easily apply similar treatment of those showing somewhat similar characteristics and for more economical administration, the classification previously used was changed and, we believe, improved during the past year.

It was decided to transfer to the Ontario Reformatory, Guelph, prisoners between the ages of 16 and 20, irrespective of past record, assuming them still to be hopeful cases because of their youth and also to transfer to the same Institution the more hopeful cases between the ages of 20 and 25. It was decided also to transfer to the Ontario Reformatory, Mimico, the more hopeful cases from 25 years upwards and at the same time to the Industrial Farm, Burwash, the repeaters above 20 years of age, the Industrial Farm at Langstaff continuing to take the very short term prisoners from the City of Toronto.

Many of the repeaters transferred to Burwash have very long and serious criminal records and for them secure, fire-proof buildings are necessary. Part of the permanent group of buildings under construction has been completed, but it is necessary to continue that construction. This is not additional accommodation, but is replacement of previous accommodation in comparatively insecure wooden buildings. Therefore, \$50,000 capital expenditure is being provided for that purpose. The installation of water supply from the Wahnipitae River, the new sewage plant and reconstruction of the main power line have been completed.

It is the intention of the Department to intensify education and proper recreational work for the prisoners of the Ontario Reformatory, Guelph, especially during the evening hours, and to provide the necessary facilities for that work \$25,000 capital expenditure is being provided.

During the past five years, there has been a considerable decrease in the number of prisoners throughout the Province, and unless there is some unusual increase, which at present cannot be foreseen, it is fully expected that the

Reformatories and Prisons being used at present will provide ample accommodation and certainly cannot be more economically administered.

#### COMPANIES BRANCH

The total revenue in the Companies Branch for eleven months ended February 29th, 1936, was \$286,753.91. Of this amount \$133,779.00 constituted Departmental fees for Charters of Incorporation. The total number of charters granted during the said period was 752, of which 87 were mining, 561 were general trading, manufacturing and commercial, and 104 were incorporations without share capital, such as charitable, patriotic and religious organizations, etc.

#### REGISTRAR-GENERAL'S BRANCH

The Registrar-General's Branch is under the administration of the Provincial Secretary and constitutes an important public service, in that it is the records office of births, marriages and deaths in the Province of Ontario since 1869. The number of such registrations on record are now in excess of seven million.

Certificates issued by this Branch with respect to such registrations average annually sixteen or seventeen thousand in number with a revenue, in the way of fees therefor, of approximately \$25,000 per annum. In addition, this Branch issues annually without fees therefor, between 25,000 to 30,000 certificates for public welfare and social purposes.

### DEPARTMENT OF PUBLIC WELFARE

#### OLD AGE PENSIONS COMMISSION

As forecasted in the Budget Address last session, there has been a continued increase in the number of Old Age Pensioners. Approximately 53,000 aged Ontario citizens are obtaining assistance from this Government service—a large number, but when considered on the basis of percentage of population we are still below every other province of the Dominion.

The cause of this continued increase lies in the fact that the applicants for pension are outside the group affected by any upward trend of industry and employment. For this group there is no employment, and with investments depleted and savings exhausted, they avail themselves of the assistance provided by the Old Age Pensions Act.

Statistical reports for the last three months show that we are nearing the point where cancellations and additions are more nearly equal. The normal inference from this condition is that the increase will be more gradual.

#### MOTHERS' ALLOWANCE COMMISSION

The assistance given by this Act is a social and an economic investment. To provide living security for 10,300 mothers and 30,500 children must prove an immense social benefit, while to provide educational opportunity for these



thousands of children to their sixteenth year must find reflection in the general social efficiency of the citizenship of this Province.

During the previous session of the Legislature, the Mothers' Allowances Act was amended to include within its operation the widowed mother and the deserted mother with one child or more under 16 years.

#### CHILDREN'S AID BRANCH

The importance of this welfare activity is most readily grasped when it is remembered that 10,000 children, wards of the local Children's Aid Societies, are receiving care, protection and training, and that 1,700 new wards are added each year.

Through leadership, provided by the Department of Welfare, a great change has been effected in the prosecution of this endeavour. Superintendents and other officials engaged by the local Societies must, wherever possible, be workers trained in the science of social welfare.

#### UNEMPLOYMENT RELIEF BRANCH

That unemployment relief continues to be a major problem is indicated by the latest complete monthly returns available. These cover the month of December, 1935, during which time there were 347,620 persons in receipt of relief, as against 420,194 during December, 1934.

As I stated last year, when dealing with Unemployment Relief figures, the months of January, February and March have, in each year, shown an increase from month to month in the number of relief registrants. There is no doubt, therefore, that when full figures are available for the present month, that the total will be somewhat higher than the figure I have just given for the month of December last.

During the past year, it has been our endeavour to approach the problem of Unemployment Relief on the basis of long-time planning and to this end we have believed it wise to leave the detailed administration of relief in the hands of the municipality, but to maintain the supervision and set up certain regulations to safeguard the interests of all.

Through representations made at the Dominion-Provincial Conference held in Ottawa in December, the Dominion grant-in-aid was increased from \$600,000 to \$1,050,000 a month, to continue to March 31st, 1936. While \$1,050,000 fell somewhat short of 50 per cent. of the amount disbursed from the Provincial Treasury, it made a much more satisfactory division of relief costs as between Dominion and Province than that which has previously prevailed.

At the same conference, the Dominion Government expressed itself as being in accord with the appointment of a Dominion Commission on Employment and Relief to study the relief problem throughout the Dominion.

#### DEPARTMENT OF PUBLIC WORKS

The programme of work to be undertaken by the Department of Public Works will be confined chiefly to the keeping of the various buildings, locks, dams and bridges under its charge in a state of good repair.

## CAPITAL PAYMENTS, 1936-37

## PUBLIC BUILDINGS:

## Legislative and Departmental Buildings:

To provide additional accommodation.....\$ 1,000

## AGRICULTURAL BUILDINGS:

Ontario Agricultural College, Guelph..... 500

Ontario Veterinary College, Guelph..... 35,000

## WELFARE BUILDINGS:

Ontario Training School, Bowmanville—

New Boiler..... 15,000

New Building..... 50,000

Ontario Training School, Galt..... 85,000

## ONTARIO HOSPITALS:

Ontario Hospital, Fort William..... 15,000

## MISCELLANEOUS:

Ontario Government Building., Exhibition Park, Grant to City of  
Toronto..... 50,000

## PUBLIC WORKS AND BRIDGES:

Purchase of Property..... 500

Timber and Construction, Cutting and Purchase of Materials..... 2,000

Municipal Bridges..... 50,000

Municipal Drainage..... 5,000

Hawkesbury-Grenville Bridge..... 700

\$309,700

## PROVINCIAL SAVINGS OFFICES

With regard to the cost of money borrowed through the Provincial Savings Offices, I notice on the Order paper that questions have been asked as to the cost of the money on deposit for certain periods of time, such as the month of January, 1935, and the month of January, 1936. I am sure that those who have put these questions on the Order paper, probably because of not having given the question very much thought, overlooked the fact that it is almost impossible for a banking or similar institution to make an accurate estimate of the cost of money for any given point of time which is not coincident with the fiscal year of the banking institution or with some other point of time at which interest is calculated. When a branch is first opened, the cost of the deposits fluctuates because of cheques issued and deposits made. To give an answer to the question placed upon the Order paper a few days ago would involve a tremendous amount of work. For example, the Bay-Adelaide Branch has sometimes upwards of 15,000 depositors' accounts. In addition to this, there are ledger sheets which are filed away, representing accounts of depositors who have closed their accounts or who have died. Imagine asking this Government to give statistics and information which would involve going through all these accounts, not only at the Bay-Adelaide Branch but also at all of the branches of the Provincial Savings Offices. The cost of compiling this information would so far outweigh any advantages or benefits that could possibly accrue, that I am sure no more such questions will be asked.

For the information of this House and of the public, let me say that in the year 1922 the average cost of deposits was 8.41%; in 1923, 4.64%; in 1924, 4.38%; in 1925, 3.60%; in 1926, 3.73%; in 1927, 3.87%; in 1928, 3.89%; in 1929, 3.87%; in 1930, 3.82%; in 1931, 3.83%; in 1932, 3.75%; in 1933, 3.64%; in 1934, 3.42%; in 1935, for the five months to March 31st, 2.87%, and in 1935, for the nine months to December 31st, 3.11%.

Let there be no misrepresentation about the cost of money in these Provincial Savings Offices. They are giving a service and are very much appreciated by the people wherever branches are located. And lest any member of the Opposition should attempt to show what a hideous thing it is to operate these Provincial Savings Offices, let me refer to the Budget Address of my honourable friend, the ex-Attorney-General and ex-Treasurer of this Province, delivered in this House on March 11th, 1926, when he said, in speaking of Provincial Savings Offices:

"In this connection let me say, at the end of this fiscal year, the public had on deposit in the Provincial Savings Offices the sum of \$19,220,000.00. A year ago there was on deposit the sum of \$22,013,000.00. I consider this a very favourable showing considering the fact that, for the past fiscal year, the rate of interest which we allow on deposits has been 3% instead of 4%.

Further on in his address he stated:

"It will be interesting to know in this connection that the months of January and February in this year have shown a further steady increase in deposits and it is anticipated that from now on there will be a steady increase."

If it was a healthy and wholesome thing, to maintain Provincial Savings Offices then; why not now?

Before I leave this subject, may I again refer to questions that have been put on the Order paper as to the reserves of the Provincial Savings Offices. The Honourable member for Parkdale, I believe, asked the question. Let me answer him in his own language. He stated on March 11th, 1926, that "the primary consideration is that the deposits of the public shall be amply protected and secured. With that idea in view the Government decided to build up a reserve fund." The reserve fund that the Government decided to build up then is the same kind of reserve fund that is being built up now. It is a reserve fund in name only. The real reserve is the credit of the Province of Ontario and the resources of the Province of Ontario. If any depositor in a Provincial Savings Office wishes his money, he has only to sign his cheque, be identified, and his money is available. This Government has resources, has taxing power and overdraft privileges which place it in a position to meet every possible demand, expected or unexpected, and we shall continue to operate the Provincial Savings Offices which are appreciated by the people who want to lend their money to a Government, and especially this Government, in which most of the people of this Province have unbounded faith. (Applause.)

Honourable Mr. Price: My question had reference to the reserve fund, which was supposed to have been started some years ago, of one-quarter of one per cent. That is what I was asking about.

Premier Hepburn: I think my honourable friend is misinformed as to the existence of any cash reserve.

Honourable Mr. Price: I appreciate that it was only a very small reserve. It didn't amount to very much each year.

Premier Hepburn: I am afraid my friend is wrong as to that.



The total deposits in the 23 branches on December 31st, 1935, amounted to \$32,084,815.00, as compared with the total deposits of \$21,449,527.00 on October 31st, 1934, (applause), in all of the 17 branches, which is an actual increase of \$10,635,288.00. On comparing the December 31st, 1935, figures with the Balance Sheet for the five months period ending March 31st, 1935, when the total deposits amounted to \$22,326,489.00, an increase is indicated for the nine months of \$9,758,326.00.

During the last year two changes were made in interest rates. On November 1st, 1934, the interest rate on deposits was changed from  $2\frac{1}{2}\%$  to  $2\%$ , and reverted back to  $2\frac{1}{2}\%$  on June 15th, 1935.

Seven new offices, situated in the following places have been opened:

	Date Opened
Parliament Buildings.....	Feb. 19th, 1935
Yonge and Davenport, Toronto.....	July 4th, 1935
Yonge and Broadway, Toronto.....	Nov. 2nd, 1935
Guelph.....	July 8th, 1935
Kitchener.....	Aug. 12th, 1935
London.....	Dec. 2nd, 1935
Windsor.....	Feb. 1st, 1936

Great care has been taken in the selection of sites. No money is being expended by the Government for the alteration of premises. These expenses are being taken care of by the landlord, as well as the taxes and water rates.

Premises are being secured at lower rentals, and this applies not only to the new offices, but to the renewal of leases that have expired as the following list of premises and rentals will show:

	Former Rate	Present Rate
Owen Sound.....	\$104.16 per month.....	\$ 75.00 per month
Pembroke.....	\$250.00 per quarter plus over \$600 per annum taxes and water rate..	116.66 per month
Seaforth.....	\$106.25 per quarter.....	75.00 per quarter
St. Catharines.....	\$125.00 per month.....	75.00 per month
St. Mary's.....	\$160.00 per quarter and half of taxes which amount to \$159.41...	160.00 per quarter
Walkerton.....	\$165.00 per quarter and taxes of \$80 per annum.....	150.00 per quarter
Woodstock.....	\$60.00 per month.....	50.00 per month

In line with the general policy of the Government, the strictest supervision of expenditures was maintained throughout the nine months' period. This, with the close attention paid to minor profits, resulted in a profit for the period of \$45,235.63, after payment of all operating expenses.

There is an increase in the number of savings accounts over the nine months' period of 6,607 accounts. Individuals are realizing that the possession of a reserve in the form of a savings account has meant the difference between independence and poverty, while the general practice of thrift, coupled with the security and well-founded faith in the Province, has undoubtedly been an important factor in maintaining the sane outlook of the people. These reasons, and the fact that branches are petitioned for by Chambers of Commerce and other public bodies, is ample proof that the Savings Offices are greatly appreciated.

A balance sheet showing the position of the Provincial Savings Offices will be included in the printed copy of the address which I am now delivering.

## AGRICULTURAL DEVELOPMENT BOARD

We discontinued making farm loans last summer. The reasons for this were twofold: first, the Dominion Farm Loans Board, is functioning and, it is believed, has ample funds available to meet the needs of farmers requiring loans on the security of their farms. The second reason, and this was the more pressing one, was that the Province of Ontario was finding it difficult to make satisfactory financial arrangements with the people who control the supply of money. The Province was, therefore, reluctantly compelled to abandon the policy of lending money to be repaid in twenty, and in some cases, thirty years.

For the information of this House let me state that the loans outstanding at the end of each fiscal year since the first loans were made are as follows:

October 31st, 1923.....	\$ 4,132,987 55
October 31st, 1924.....	7,207,043 78
October 31st, 1925.....	9,584,176 21
October 31st, 1926.....	12,191,375 03
October 31st, 1927.....	15,531,360 49
October 31st, 1928.....	19,465,405 31
October 31st, 1929.....	23,835,887 97
October 31st, 1930.....	29,442,986 90
October 31st, 1931.....	35,450,646 00
October 31st, 1932.....	42,152,965 25
October 31st, 1933.....	47,302,620 49
October 31st, 1934.....	49,585,416 96
March 31st, 1935.....	49,291,052 71

At January 31st, 1936, we had outstanding loans amounting to \$46,046,394.88. It is easy to be wise after the fact, but I question if there ever was in the history of any financial institution of this country such an exhibition of improvident loaning as would be revealed by an examination of the files of the Agricultural Development Board. Let me give you one example. There is an island in Lake Ontario. It is located at about 47 degrees latitude and about 74 degrees west longitude, and about one mile off the shore of Prince Edward County. Its area is about 350 acres. Some years ago a Toronto broker approached the Agricultural Board and borrowed \$7,000 on a mortgage on the island. Now, in winter, the lake is frozen up or partly frozen and you cannot get to the island. In the spring and autumn the water is too rough to approach the island in a scow or boat; but in the summer time the cool, refreshing breezes of Lake Ontario made the island a desirable summer home for the Toronto broker and that is what it was. But evil days fell upon the broker and payments of interest and principal were not forthcoming. So the then Chairman of the Agricultural Development Board, with an inspector, went to inspect the security. They visited the lake shore of Prince Edward County and saw the island about a mile out in the lake. On inquiring from one of the local inhabitants, the Chairman was informed that, if he would look about him, he would find a white flag and by raising this white flag and waving it vigorously the mortgagor would see him and would come across. Well, the Chairman and his inspector waved the flag vigorously and kept up the waving until they were tired out. But the mortgagor did not come across and he has not yet come across. (Laughter.) In fact, he has deserted the island and the loan, which was \$7,000, now amounts to about \$10,000, and the Government have an offer of \$1,000 for the property.

During the period from April 1st, 1935, to February 29th, 1936, the Agricultural Development Board paid the sum of \$2,078,560.36 to the Province. Of this amount, \$1,000,000 was applied to capital account in repayment of debentures issued by the Board, and \$1,078,560.36 was applied as ordinary revenue in

payment of interest. May I say that these amounts were properly allocated as between capital and interest.

The Treasury Department did not purchase any debentures from the Board during the period mentioned, that is, from April 1st, 1935, to February 29th, 1936, nor will it purchase any further debentures.

The Board granted 238 loans amounting to \$407,685.00 from April 1st, 1935, to date, 449 farms were taken over, and 282 farms were sold during the above period. The Board now owns 731 farms, carried on the books at \$3,457,188.52.

#### TEMISKAMING AND NORTHERN ONTARIO RAILWAY

During the current fiscal year the Commission paid the sum of \$1,037,447.76 to the Province. Of this amount, \$800,000.00 was applied on account of advances made during 1934, the balance of \$237,447.76 represented interest thereon to December 31st, 1935.

Honourable members will note the improved condition of this road. We held, you remember, a thorough investigation into its affairs and I am now pleased to report that there was an increase in the earnings and a reduction in expenditures. In the nine-month period the increase in the net earnings amounted to over \$428,000. (Applause.) Even more remarkable is the fact that we carried more freight as compared with 1934 and at the time we reduced operating expenditures by \$110,000. (Applause.) I want to pause at this point to pay a tribute to the work of the General Manager, Mr. Cavanaugh, who, in my opinion, is the most efficient railroad operator that can be found in the Dominion of Canada. In any event, the records can speak for themselves. (Applause.)

A condensed summary of the road's operation for the nine months ended December 31st, 1934 and 1935, shows the following:

	1935	1934	
REVENUE:			
Freight.....	\$2,295,488 95	\$2,100,954 27	
Passenger.....	467,366 79	464,216 69	
Merchandise.....	405,360 92	420,504 11	
Total.....	\$3,168,216 66	\$2,985,675 07	Increase \$182,541 59
EXPENDITURE:			
Operating.....	\$2,002,600 59	\$2,112,645 27	Decrease \$110,044 68
Operating Balance.....	\$1,165,616 07	\$ 873,029 80	Increase \$292,586 27
Other Expenditure (net).....	\$ 471,230 80	\$ 607,403 23	Decrease \$136,172 43
Net earnings for the nine months ended Dec. 31st.....	\$ 694,385 27	\$ 265,626 57	Increase \$428,758 70

It will be observed from the above summary that there was an improvement in operations during the period under review. Present conditions indicate there will be a traffic increase with consequent improvement in earnings for the year 1936.

#### THE 1936-1937 ESTIMATES

I shall now deal with the estimates for the coming year. They afford the first real ray of hope that has been visible to the taxpayers of the Province of Ontario since the beginning of what is known as Old Man "Depression," and in placing before honourable members of this House the proposed financial pro-



gramme for the fiscal year beginning April 1st, 1936, let me say that I promise the people of the Province of Ontario a real surplus. (Applause.) I pledge my word that we are serious in this matter, and I pledge my word as leader of the Liberal Party in the Province of Ontario that the programme that I now lay before this House will be carried out to the letter.

Before I go into details, I want to recall the doubts that were in the minds of my honourable friends opposite last year when, speaking on the Budget, I estimated our revenues at \$73,000,000.00. We have exceeded that sum by five or six million dollars. We estimated our expenditures at \$73,000,000.00 and we have spent only \$72,000,000.00. I think the House will give us credit for having made our estimates very carefully and I therefore believe I am justified in asking the House to accept the figures which I shall present to-day.

#### A SURPLUS OF \$597,985.64

I estimate that the net Ordinary Revenue of this Province will reach the unprecedented figure, \$72,283,813.99. That is a great sum, Mr. Speaker, and I am sure that our forbears, if they were alive to-day, would hardly be able to visualize such a colossal amount of money. The net Ordinary Expenditures, not including unemployment relief, will amount to \$59,085,828.35 and the difference amounts to \$13,197,985.64. What a surplus that would be, if we did not have unemployment costs on our hands! But from that surplus—or what my honourable friends opposite would call a surplus—I must, if I would follow sound policy, deduct the estimated net expenditure on account of unemployment direct relief and the administration thereof in the amount of \$12,600,000, leaving, Mr. Speaker, a surplus, a real surplus of \$597,985.64. (Applause.)

Honourable Mr. Macauley: I notice that my honourable friend has only estimated relief expenditures for next year at \$12,000,000.00, when he has spent \$20,000,000.00 this year. That is an \$8,000,000.00 reduction and I would like to know on what my honourable friend justifies such a considerable reduction.

Premier Hepburn: Of course, conditions are improving in the Province and we are making a determined effort to rid the relief rolls of the chisellers. I think I am justified in asking honourable members to accept the estimates of the Government in view of what happened last year. It is a matter which we have figured out very carefully.

I shall furnish a detailed statement of the forecast of Ordinary Expenditure and Revenue and Capital Receipts and Payments, and it will appear in the printed copy of my address.

#### THE GROSS DEBT OF THE PROVINCE TO BE REDUCED

The pledge that I gave you one year ago to collect the revenues that I estimated and to keep expenditures of the Departments within the amount of supply voted I renew to-day. But, Mr. Speaker, this is not all. I have more news, and better news, for you. Not only do we promise to conduct the affairs of this Province during the next fiscal year so prudently as to finish the year with a surplus of more than half a million dollars, but because of the fact that we will receive in the form of Capital Receipts the sum of \$36,893,318.51 and will pay out in the form of Capital Payments the sum of \$26,930,965.80, there will be a reduction in the gross debt of this Province of \$9,962,352.71. (Applause.) There never has been a reduction in the gross debt of Ontario since the dawn of the

present century. What a relief this debt reduction will afford the taxpayers! Did I say that the debt reduction would be \$9,962,352.71? Mr. Speaker, for good measure, there should be added the surplus which we will have of Revenue over Expenditures amounting to \$597,985.64, and we will then show a grand total reduction in the gross debt of the glorious old Province of Ontario in an amount of \$10,560,338.35.

### WAYS AND MEANS

I have already assured this House and the country that no increases will be made either in Corporation Taxes, or in Succession Duties. I have also informed this House and the country that we propose to repeal the tax on native wine and that we have brought about some reduction in the Amusements Taxes.

A year ago, when I had the honour of addressing this House and presenting my first Financial Statement, I declared my intention of asking for a conference with whatever government would be placed at the head of affairs in Ottawa as a result of the then approaching Dominion elections. Well, the then Prime Minister of Canada held on until the life of Parliament expired and waited until the Indian summer. He was like the Ex-Prime Minister of Ontario who clung on until the people shook him loose. On October 14th the Bennett Administration fell. Then the Rt. Hon. Mr. King was called upon to form a Government. As speedily as possible, he called a Dominion-Provincial conference. If they had had an election earlier, we would have had a fall session and I would then have introduced the Income Tax measure, unless the Dominion Government had been agreeable to increase its grant-in-aid to this Province.

I warned this House in these words that, if necessary, "I propose to call a special session of this Assembly and to introduce legislation to impose such new taxes as will produce the required amount of revenue to balance the budget." Now, you have translated this promise into the necessary legislation.

### THE INCOME TAX OF ONTARIO

Mr. Speaker, "at the recent taxation conference in Ottawa, we had a very interesting time. It was called for the purpose of seeing if something could be done, but we did not make much headway. It was thought there the income tax might very well be collected by the Dominion, and divided up with the Province and Municipalities, or something like that, so you would have the same form of return, one officer looking after it, one person to satisfy rather than three. This plan appealed to everyone and would be less expensive, a very important thing, instead of having separate collectors for Dominion and Municipality."

I see honourable members opposite smiling. I suppose they are smiling when they hear me say we didn't make much headway. I see them smile when I say that this plan appealed to everyone. I don't suppose that my friend, the ex-Prime Minister, will agree with me. Perhaps he will. I don't suppose that my honourable friend, the ex-Minister of Highways, will agree with me when I say that this plan of having the income tax collected by the Dominion appealed to everyone. Then I see the ex-Attorney General is paying a great deal of attention:

Honourable Mr. Price: We are quite interested.

Premier Hepburn: Yes, you should be interested. You don't agree with that statement? You opposed the Act?

Honourable Mr. Price: I opposed the Act, certainly.

Premier Hepburn: Are you agreeable to have the Dominion Government collect the income tax?

Honourable Mr. Price: I could agree on that.

Premier Hepburn: Then why didn't you vote for the Income Tax Act? (Laughter.)

Honourable Mr. Price: I did not vote for the Income Tax Act, but I have always felt that the Dominion Government should collect the tax. I voted against the Income Tax Act because I don't think it is necessary to have such an Act.

Premier Hepburn: Then my friend does not agree. I suppose he thinks the statements I have just made referred to the recent conference in Ottawa. Mr Speaker, I am quoting word for word from the speech delivered in this House in March, 1925, by the Honourable W. H. Price, then Treasurer of the Province of Ontario. (Laughter and Applause.) Let me repeat that.

"At the recent taxation conference in Ottawa, we had a very interesting time. It was called for the purpose of seeing if something could be done, but we did not make much headway. It was thought there that the income tax might very well be collected by the Dominion, and divided up with the Province and Municipalities or something like that, so you would have the same form of return, one officer looking after it, one person to satisfy rather than three. This plan appealed to everyone, and would be less expensive, a very important thing, instead of having separate collectors for Dominion and Municipality."

Now, Mr. Speaker and honourable members, my friends opposite do not agree with that sentence—they think I have been reading from a report of the Dominion-Provincial Conference held in December of 1935. Mr. Speaker, I have been reading from the financial statement and Budget Address of the Hon. William H. Price, one-time Treasurer of the Province of Ontario. This address was delivered by him in the Legislative Assembly on March 5th, 1925, on moving the House into Committee of Supply.

Honourable Mr. Price: Well, what's wrong with that?

Premier Hepburn: That is what my honourable friend said in 1925, but in 1936 he voted against the Income Tax Act. (Laughter and Applause.)

Honourable Mr. Price: I still agree with what I said. I say now what I said then, but I don't approve of an income tax for this Province. In 1925 there was a conference at which a proposed income tax was discussed and apparently it was agreed by all at the time that collections should be made by the Dominion Government to avoid any duplication in the cost of collection.

Premier Hepburn: Then I may tell my honourable friend that if there was need for an income tax in 1925, there is more need than ever for it to-day. Apparently my honourable friends have not discussed it since that time, but since then the debt of the Province, for which they have been responsible, has been increased by \$306,645,000.00. If there was need for an income tax in 1925, surely there is justification for one at the present time. (Applause.) And when I point out what my friend said in 1925, honourable members opposite start staging a filibuster.



Honourable Mr. Henry: I wasn't aware of any filibuster. That is just weak talk. I don't think the Prime Minister should make such extravagant statements. When we criticize the Prime Minister, it is called a filibuster.

Mr. Hepburn: Maybe the term is extravagant when applied to an Opposition which is so small.

I shall take the time of the House to quote a little further from the very same speech of my honourable friend, the ex-Attorney General and one-time Treasurer of the Province of Ontario. He said:

"Let me say this: that many people think that income tax should not be collected by the municipalities at all. I am not saying this with the idea of infringing on the municipalities at all, but only pointing out that the men who are in public business and have experience with the Income Tax say it is often collected from a man in a municipality who does not derive income from that municipality, but from the Province as a whole. Therefore the accident of residence does not say a municipality should collect that tax. I would not mention this at all, but when municipalities strike their tax rate each year, they have a habit of saying we are infringing on their prerogatives, and not giving them a chance at all, or giving them opportunity to collect taxes, but I point to the case of the income tax and say, "*You are getting a Provincial Tax.*"

It is too bad indeed that my honourable friend, the ex-Attorney General, has such a short memory; but then people change, and there is nobody can change as quickly as a politician; particularly a defeated politician. In the Mail and Empire—that is the official organ of the Conservative Party, of the Conservative minority of this House—in the Mail and Empire of February 18th, 1936, you will read these words—and they are words that should be weighed because one of the words has seventeen letters in it, and I sometimes think that my honourable friend, the ex-Attorney General, when he gets down to words of seven syllables, does pretty well—here is what the Mail and Empire said, reporting quite faithfully, as it sometimes does when it reports the speeches of my honourable friends opposite:

"Climaxing (I quote) a vigorous attack on the Provincial Income Tax Bill in the legislature last night, Col. W. H. Price expressed doubt as to the constitutionality of the section of the bill which gives the Federal Income Tax Department the right to collect the tax for Ontario. It was a delegation of authority from one Government to another and Col. Price said he doubted whether it would stand in a court of law."

My honourable friend has his doubts as to the constitutionality of the Act in 1936, but he had no doubts at all in 1925. Apparently his doubts arose very suddenly. (Applause.) Speaking as Provincial Treasurer on March 5th, 1925, and on his responsibility as a Minister of the Crown, the honourable member said that everyone agreed it would be a good thing to have this income tax collected by the Dominion Government. Speaking now in opposition and without responsibility and without prejudice, as the lawyers say, he reminds us of Humpty-Dumpty's conversation with "Alice in Wonderland."

"When I use a word," said Humpty-Dumpty in rather a scornful tone, "it means just what I choose it to mean, nothing more nor less."

Honourable Mr. Price: I doubt very much as a lawyer whether one Government can delegate to another its power of collecting the tax. I would like the Attorney-General to give his opinion on that point.

Premier Hepburn: Surely you are inconsistent. The trouble with my friend is that he turns his face in one direction and his feet in the other. (Applause.)

The ex-Attorney-General is now a free-lance, but principles do not change; and one of the principles to be observed in taxation is that that tax is soundest which returns the largest net amount to the public exchequer. We considered that principle when we arranged to have the Income Tax collected by the Dominion authorities. It would save the building up of a tremendous organization. The authorities at Ottawa have done the work of sifting tax rolls and building up the records for nearly 20 years and they are now placing at the disposal of this Government their records and experience and facilities. Their Act has stood the test of the Exchequer Court, the Supreme Court of Canada and of the Privy Council; our Act is modelled upon the Income War Tax Act (Dominion).

Now, let me say a word or two as to the necessity for introducing this tax. There is a limit to which any Government may go to support the economic structure of the state. That limit is reached when deficit after deficit is ploughed back and added to the public debt. We know this; the honourable gentlemen opposite know it, and the country knows it. What is the sound policy to follow? To continue to pile up debts and pay 41 cents out of every dollar that flows into the Treasury to the money-changers as interest or to own ourselves and keep our independence and pay as we go? The policy of this Government is to pay as we go. (Applause.) It is better to impose a tax that conforms to the sound principle that there must be equality of sacrifice, a tax that bears impartially upon all classes in proportion to their capacity to support the cost of government, a tax that has been accepted in principle by every democratic government in the world wherever the best standards of social justice are recognized.

This tax is less than half that of the Dominion. It is within the right of the Province of Ontario to impose this tax. I claim, and so contended at the Dominion Provincial Conference, that the Provinces had a prior right to impose an income tax, and in this I was supported by the representatives of every Province in the Dominion. The Minister of Finance for Canada did not disagree except to say that the Dominion Government had the right to impose any sort of tax. But anyone who reads the reports of the debates of the Fathers of Confederation, will see and understand that it was their idea that the resources of the Provinces should be left to the Provinces to develop and enjoy and that direct taxation should be the peculiar and particular field of taxation of the Provinces alone.

There have been many conflicting statements made by honourable members opposite, both in the House and outside, to the Press and at political gatherings, as to the amount the Government expects to get from this tax. We have placed in the estimates the sum of \$6,000,000, which is the net amount that the tax is expected to yield after reimbursing the Department of National Revenue of the Dominion Government for the expense of collecting the tax, and also paying to the municipalities the amount to which they will be found to be entitled.

The Province of Ontario is the greatest Province. It is the largest Province. It contributes approximately 48% of the total revenue of the Dominion Govern-

ment. Other Provinces have a Provincial Income Tax and I believe I am correct in stating that the Province of British Columbia levied an Income Tax before the Dominion Government did. The constitutionality of that Act has never been questioned. Who will say that it is not within the right of the Province of Ontario to impose an income tax? Will my friend give that as his considered opinion? Is there anyone who will deny that the administration of the municipal income tax in the Province has been the disgrace it has been, evaded by the wealthy who find places where they can house themselves and escape bearing their fair portion of the tax? (Applause.)

Of course, there is; and they are here in this House and, as spokesmen of the vested interests, they have opposed the Income Tax bill and have done everything in their power to impede its progress. But I predict here and now that there is not a member of this House seated on the Opposition side—unless he be one who will be running in a constituency composed largely of the more favoured class—there will not be one member of the Opposition who at the next Provincial election, will be able to stand up before his constituents and give one solitary reason why he opposed the Income Tax Bill. (Applause.)

#### THE CONSERVATIVE TAXATION POLICY

Out of the welter of the debate there has emerged at least the Conservative taxation policy as enunciated by my honourable friend—and I like him very much because he is a hard hitter and I believe he *may* some day be the leader of the Conservative Party. At least, he has as good a chance as any of the honourable gentlemen opposite—I refer to the honourable member for Carleton County. (Applause.) It was left to him to enunciate in clear and unmistakable language the taxation policy of the Conservative Party. What is the taxation which the Conservative Party would offer in substitution for the income taxation measure which bears impartially upon all classes in proportion to their ability to pay?

The Conservative taxation policy, as set out by the honourable member for Carleton, is an additional three cents per gallon on the present gasoline tax of six cents per Imperial gallon; a tax on meals served in hotels and restaurants, and the legalizing of sweepstakes. Mr. Speaker, the least experienced in public finance in this country can see the weakness and the folly of such a policy.

Three cents a gallon added to the present gasoline tax of six cents means nine cents tax on an Imperial gallon. Add to the burden of motorists and add to the cost of transportation by bus, and remember, it is the poor man and his family who use the bus. Add to the cost of transportation by truck and you add to the cost of commodities that are the items of consumption of our daily life. Such an increase would add to the burden of the consumer who already is bearing his fair share of taxation. That is the Conservative policy as enunciated by my honourable friend from Carleton County and vigorously applauded by every Opposition member.

#### THE LIBERAL POLICY AS TO TAXATION ON GASOLINE

Now, Mr. Speaker, that is not the Liberal policy. The Liberal policy with respect to taxation on gasoline is well known. It is to drive out the gas tax bootlegger, to see that the collectors of gasoline tax make proper returns and that the Public Treasury gets the full amount of tax to which it is entitled.



The shortest and surest road to tax reduction is by way of an efficient tax administration; we intend to follow that broad highway and will doubtless attain our objective, which is exactly the opposite of the goal set before you by the Honourable Member for Carleton County.

### CONCLUSION

Now, Mr. Speaker, I have spoken at some length, but I am sure you will agree that the information that I have been able to place before this Assembly has justified the time that you have allowed me. I thank you, Sir, and also the honourable members who have so patiently listened to me to-day.

Once a year it is my duty to lay before this House a statement of the financial transactions and of the business of the Government. I have tried to discharge this duty in a fair and straightforward manner. Every financial statement that I have presented has been supplied and certified as correct by the Provincial Auditor of Ontario.

I repeat what I declared a year ago, that we confidently look forward to collecting the revenues set out in the Budget forecast. We promise without reservation of any kind that we will live within the supply which we shall ask this House to vote to His Majesty.

The carrying out of the financial programme of this Government will mean the beginning of a new day for the taxpayers of this Province. Ontario's credit shall be further enhanced. We shall be able to borrow at lower interest rates and to refund some of our outstanding obligations which presently press upon us so heavily because of their high interest rates and because of the fact that almost fifty per cent of our funded debt is payable at the option of the bondholders in New York or London.

With the saving of interest and a consequent reduction in the cost of government, we shall be able to carry the blessings of good government into the home of the humblest man and woman in this Province. Mr. Speaker, to the achievement of this objective I now pledge the wholehearted efforts of this Government, and in the carrying out of the programme I have placed before you, I earnestly ask for the co-operation of all the members of this House and the united support of my fellow citizens of the good old Province of Ontario. (Prolonged Applause from both sides of the House.)



## STATEMENT No. 2A

## BUDGET FORECAST OF ORDINARY REVENUE

Fiscal Year April 1, 1936—March 31, 1937

DEPARTMENT	Gross Ordinary Revenue	Application of Revenue to Expenditure	Net Ordinary Revenue
1—AGRICULTURE.....	\$ 296,000.00	\$ 284,567.00	\$ 11,433.00
2—ATTORNEY-GENERAL.....	550,000.00	63,850.00	486,150.00
3—EDUCATION.....	100,000.00	98,320.00	1,680.00
4—GAME AND FISHERIES.....	570,000.00	1,000.00	569,000.00
5—HEALTH:			
Main Office and Branches....	\$ 38,000.00	9,300.00	\$ 28,700.00
Hospitals Branch.....	999,000.00	1,037,000.00	996,710.00
			2,290.00
6—HIGHWAYS:			
Main Office.....	200,000.00		
Gasoline Tax Branch.....	16,050,000.00		
Motor Vehicles Branch.....	9,000,000.00	25,250,000.00	25,250,000.00
7—INSURANCE.....	159,000.00		159,000.00
8—LABOUR.....	98,000.00	93,870.00	4,130.00
9—LANDS AND FORESTS:			
Lands Branch.....	500,000.00	13,693.60	486,306.40
Forests Branch.....	2,000,000.00	2,500,000.00	377,000.00
			1,623,000.00
10—LEGISLATION.....	16,000.00	6,900.00	9,100.00
11—MINES.....	1,883,000.00	5,000.00	1,878,000.00
12—MUNICIPAL AFFAIRS:			
Main Office.....	8,000.00		8,000.00
Housing Branch.....	200,000.00	208,000.00	200,000.00
			8,000.00
13—NORTHERN DEVELOPMENT:			
Settlers' Loans Commission...	15,000.00	15,000.00	
14—PRIME MINISTER:			
King's Printer—Ontario Gazette	22,000.00		22,000.00
15—PROVINCIAL SECRETARY:			
Main Office and Registrar-			
General's Branch.....	455,000.00		455,000.00
Reformatories and Prisons			
Branch.....	664,000.00	1,119,000.00	658,000.00
			6,000.00
16—PROVINCIAL TREASURER:			
Main Office—Subsidy.....	2,941,424.28		2,941,424.28
Interest.....	72,810.31		72,810.31
Liquor Control Board.....	8,500,000.00		8,500,000.00
Controller of Revenue Branch:			
Succession Duty.....	12,000,000.00		12,000,000.00
Corporations Tax.....	8,600,000.00		8,600,000.00
Income Tax.....	6,000,000.00		6,000,000.00
Stock Transfer Tax.....	1,000,000.00		1,000,000.00
Land Transfer Tax.....	150,000.00		150,000.00
Law Stamps.....	350,000.00		350,000.00
Amusement Revenue Branch:			
Amusements Tax.....	1,500,000.00		1,500,000.00
Theatres, etc.....	75,000.00		75,000.00
Board of Censors.....	90,000.00		90,000.00
Savings Office.....	236,225.00	41,515,459.59	236,225.00
			41,279,234.59
17—PUBLIC WELFARE.....	90,000.00	90,000.00	
18—PUBLIC WORKS.....	60,000.00	55,210.00	4,790.00
MISCELLANEOUS.....	100,000.00	100,000.00	
	75,588,459.59	3,304,645.60	72,283,813.99
PUBLIC DEBT—INTEREST.....	10,827,189.69	10,827,189.69	
TOTAL.....	\$86,415,649.28	\$14,131,835.29	\$72,283,813.99

## SUMMARY

Ordinary Revenue.....	\$72,283,813.99
Ordinary Expenditure (not including Unemployment Relief).....	59,085,828.35
EXCESS OF ORDINARY REVENUE OVER ORDINARY EXPENDITURE	\$13,197,985.64
Estimated Net Expenditure on account of Unemployment Direct Relief and the administration thereof.....	12,600,000.00
SURPLUS FORECAST.....	\$ 597,985.64



## STATEMENT No. 2B

## BUDGET FORECAST OF ORDINARY EXPENDITURE

Fiscal Year April 1, 1936—March 31, 1937

DEPARTMENT	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Net Ordinary Expenditure
1—AGRICULTURE.....	\$ 1,975,000.00	\$ 274,634.00	\$ 1,700,366.00
2—ATTORNEY-GENERAL.....	2,416,600.00	63,850.00	2,352,750.00
3—EDUCATION.....	10,428,700.00	98,320.00	10,330,380.00
4—GAME AND FISHERIES.....	495,000.00	1,000.00	494,000.00
5—HEALTH:			
Main Office and Branches.....	\$ 857,120.00	9,300.00	\$ 847,820.00
Hospitals Branch.....	6,864,880.00	996,710.00	5,868,170.00
6—HIGHWAYS:			
Main Office.....	\$4,536,610.00		4,536,610.00
Motor Vehicles Branch.....	300,435.00		300,435.00
7—INSURANCE.....	66,075.00		66,075.00
8—LABOUR.....	397,116.30	93,870.00	303,246.30
9—LANDS AND FORESTS:			
Lands Branch.....	235,600.00		235,600.00
Forest Branch.....	1,496,075.00	377,000.00	1,119,075.00
10—LEGISLATION.....	263,900.00	6,900.00	257,000.00
11—LIEUTENANT-GOVERNOR.....	8,000.00		8,000.00
12—MINES.....	350,003.60	5,000.00	345,003.60
13—MUNICIPAL AFFAIRS.....	83,125.00		83,125.00
14—NORTHERN DEVELOPMENT.....	1,500,000.00		1,500,000.00
15—PRIME MINISTER.....	164,465.00		164,465.00
16—PROVINCIAL AUDITOR.....	118,800.00		118,800.00
17—PROVINCIAL SECRETARY:			
Main Office and Registrar-			
General's Branch.....	120,800.00		120,800.00
Reformatories and Prisons Branch.....	1,455,300.00	1,576,100.00	797,300.00
18—PROVINCIAL TREASURER:			
Main Office.....	426,606.14		426,606.14
Interest.....	1,000.00		1,000.00
Controller of Revenue Branch.....	210,635.00		210,635.00
Amusement Revenue Branch.....	95,600.00		95,600.00
Board of Censors.....	14,876.60		14,876.60
Post Office.....	127,000.00		127,000.00
Savings Office.....	236,225.00	1,111,942.74	236,225.00
19—PUBLIC WELFARE:			
Main Office and Branches.....	590,500.00	90,000.00	500,500.00
Old Age Pensions Commission.....	2,102,300.00		2,102,300.00
Mothers' Allowances Commission.....	2,778,216.00	5,471,016.00	2,778,216.00
20—PUBLIC WORKS.....	681,100.00	55,210.00	625,890.00
MISCELLANEOUS.....	160,000.00	100,000.00	60,000.00
Workmen's Compensation Board.....	160,000.00		160,000.00
	41,717,663.64	3,066,019.00	38,651,644.64
		9,933.00	
		13,693.60	
		200,000.00	
		15,000.00	
PUBLIC DEBT.....	31,500,000.00	10,827,189.69	20,434,183.71
TOTAL.....	73,217,663.64	14,131,835.29	59,085,828.35
ADD: Estimated Net Expenditure on account of Unemployment Direct Relief and the Ad- ministration thereof.....	12,600,000.00		12,600,000.00
GRAND TOTAL.....	\$85,817,663.64	\$14,131,835.29	\$71,685,828.35

## STATEMENT No. 2C

## BUDGET FORECAST OF CAPITAL RECEIPTS

Fiscal Year April 1, 1936—March 31, 1937

DEPARTMENT	CAPITAL RECEIPTS		
	Works and Resources	Loan Repayments	Trust Fund Deposits
1—AGRICULTURE.....		\$ 14,712.84	
2—ATTORNEY-GENERAL: HYDRO-ELECTRIC POWER COM- MISSION.....		19,110,856.67	
3—HIGHWAYS.....	\$ 950,000.00		
4—LANDS AND FORESTS:			
Lands Branch.....	47,550.00	5,500.00	
Forests Branch.....	7,000.00		
5—MINES.....	50,000.00		
6—MUNICIPAL AFFAIRS.....		275,000.00	
7—NORTHERN DEVELOPMENT:			
Settlers' Loan Commission.....		50,000.00	
8—PRIME MINISTER:			
Public Service Superannuation Fund....			\$ 940,250.00
9—PROVINCIAL TREASURER:			
Main Office.....		2,233,355.00	263,697.00
10—PUBLIC WELFARE:			
Boys' Training School.....			460.00
Dominion Government and Municipalities:			
Old Age Pensions Commission.....		10,663,437.00	
Mothers' Allowances Commission.....		2,275,500.00	
11—PUBLIC WORKS.....			6,000.00
	<u>\$1,054,550.00</u>	<u>\$34,628,361.51</u>	<u>\$1,210,407.00</u>

## SUMMARY

Works and Resources.....	\$ 1,054,550.00
Loan Repayments.....	34,628,361.51
Trust Fund Deposits.....	1,210,407.00
	<u>\$36,893,318.51</u>

## STATEMENT No. 2D

## BUDGET FORECAST OF CAPITAL PAYMENTS

Fiscal Year April 1, 1936—March 31, 1937

## CAPITAL PAYMENTS

DEPARTMENT	CAPITAL PAYMENTS		
	Works and Resources	Loan Advances	Trust Fund Repayments
1—AGRICULTURE.....		\$ 2,500.00	
2—ATTORNEY-GENERAL: HYDRO-ELECTRIC POWER COM- SION.....	\$ 1,000,000.00	40,000.00	
3—EDUCATION.....	65,638.43		
4—GAME AND FISHERIES.....	40,000.00		
5—HIGHWAYS.....	5,450,000.00		
6—LANDS AND FORESTS: Lands Branch.....	87,000.00	9,150.00	
Forests Branch .....	307,500.00		
7—NORTHERN DEVELOPMENT: Districts.....	774,000.00		
Settlers' Loans.....		25,000.00	
Colonization Roads Branch.....	201,000.00		
Unemployment Relief, Roads and Bridges	3,000,000.00		
8—PRIME MINISTER: Public Service Superannuation Fund....	.....	.....	\$ 825,000.00
9—PROVINCIAL SECRETARY: Reformatories and Prisons Branch.....	75,000.00		
10—PROVINCIAL TREASURER: Main Office.....	.....	1,385,479.37	177,600.00
11—PUBLIC WELFARE: Dominion Government and Municipalities: Old Age Pensions Commission.....	.....	10,848,414.00	
Mothers' Allowances Commission.....	.....	2,307,984.00	
12—PUBLIC WORKS.....	309,700.00		
	<u>\$11,309,838.43</u>	<u>\$14,618,527.37</u>	<u>\$1,002,600.00</u>

## SUMMARY

Words and Resources.....	\$11,309,838.43
Loan Advances.....	14,618,527.37
Trust Fund Repayments.....	1,002,600.00
	<u>\$26,930,965.80</u>



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## STATEMENT No. 1

## ANALYSIS OF BUDGETED REVENUE

For the Year Ended March 31st, 1937

Dominion Government.....	\$ 3,014,234.59	3.4881
Taxation.....	46,975,150.00	54.3595
Fees.....	1,500,365.00	1.7362
Licenses and Permits.....	10,278,190.00	11.8939
Agricultural and Public Domain.....	429,756.40	.4973
Fines.....	29,880.00	.0346
Royalties, Duties and Dues.....	1,654,700.00	1.9148
Repayments.....	100,000.00	.1157
Liquor Control Board Profits.....	8,175,000.00	9.4601
Miscellaneous.....	106,538.00	.1233
	<u>\$72,263,813.99</u>	<u>83.6235</u>
Application against Expenditures.....	3,066,019.00	3.5480
Interest.....	11,085,816.29	12.8285
	<u><u>\$86,415,649.28</u></u>	<u><u>100.0000</u></u>

## STATEMENT No. 2

## PROVINCE OF ONTARIO

Detailed Statement Showing Principal Sources of Revenue  
Five months ended March 31st, 1935

DOMINION GOVERNMENT.....		\$ 1,507,114.57
Annual Subsidy.....	\$ 1,470,712.14	
Interest—Common School Fund.....	36,402.43	
	<u>\$ 1,507,114.57</u>	
TAXATION.....		9,127,208.87
Gasoline Tax.....	\$ 4,789,718.72	
Corporations Tax.....	379,287.87	
Succession Duties.....	3,469,467.27	
Amusements Tax.....	301,714.01	
Mining or Mineral Taxes.....	11,545.28	
Fire Marshal.....	886.78	
Provincial Land Tax.....	107,301.57	
Wine Tax.....	63,242.51	
Fire Protection Tax.....	4,044.86	
	<u>\$ 9,127,208.87</u>	
ROYALTIES, DUTIES AND DUES.....		406,652.37
Bonus and Timber.....	\$ 359,018.34	
Fur Game.....	34,307.15	
Fisheries.....	1,101.67	
Sand and Gravel.....	12,225.21	
	<u>\$ 406,652.37</u>	
LICENSES AND PERMITS.....		6,611,261.69
Motor Vehicles.....	\$ 6,085,021.07	
Game and Fisheries.....	212,123.72	
Liquor Permits.....	210,000.00	
Garages, Gas Pumps, etc.....	35,208.47	
Marriage.....	29,374.00	
Amusements.....	3,278.72	
Miners.....	18,080.06	
Company Licenses.....	15,455.18	
Other Licenses and Permits.....	2,720.47	
	<u>\$ 6,611,261.69</u>	
FEES.....		806,697.09
Law Stamps.....	\$ 158,516.40	
Letters Patent and Supplementary Letters Patent.....	78,948.50	
Companies Act—(Incorporation Returns and Registration Fees).....	17,216.42	
Motor Vehicles.....	42,477.42	
Legislation—(Private Bills).....	5,240.00	
Court and Legal—(Police Magistrates, Crown Attorneys, Sheriffs, Division Court Clerks, Bailiffs).....	192,639.08	
Land Titles, Registry Offices, Recording and Land Transfers.....	73,923.59	
Brokers and Salesmen, Real Estate Brokers and Salesmen.....	104,518.97	
Censorship and other Amusement.....	39,261.58	
Vital Statistics—(Certificates, Searches, etc.).....	12,299.07	
Mines and Mining—(Including Fees of Operators).....	44,925.65	
Public Health—(Boards of Health, Laboratories, Nurses).....	16,441.50	
Other Fees.....	20,288.91	
	<u>\$ 806,697.09</u>	
FINES AND PENALTIES.....		26,012.80
Breach of Highways Traffic.....	\$ 12,824.37	
Police Magistrates and Crown Attorneys.....	9,062.43	
Game and Fisheries.....	3,761.00	
Other Fines and Penalties.....	365.00	
	<u>\$ 26,012.80</u>	
PROFITS FROM TRADING ACTIVITIES.....		2,290,000.00
Liquor Control Board—		
Profits, Fines, Licenses.....	\$ 2,290,000.00	
INTEREST—ON DRAINAGE AND SUNDRY LOANS.....		82,756.41
AGRICULTURE AND PUBLIC DOMAIN.....		140,086.57
Rentals—Crown Leases and Licenses of Occupation.....	\$ 107,202.87	
Ground Rentals.....	6,764.61	
Rentals—Parks, etc.....	6,955.31	
Rentals—Mining Leases.....	3,002.87	
Licenses of Occupation.....	4,534.14	
Sales—Crown Lands.....	7,117.98	
Miscellaneous.....	4,508.79	
	<u>\$ 140,086.57</u>	
MISCELLANEOUS—Unclassified.....		51,153.69
		<u>\$21,048,944.06</u>



STATEMENT No. 3 SHOWING AMOUNT EXPENDED ON ROAD CONSTRUCTION IN ONTARIO FROM COMMENCEMENT OF GOOD ROADS SYSTEM, 1903; COLONIZATION ROADS, 1903; NORTHERN DEVELOPMENT ACT, 1912, AND PROVINCIAL HIGHWAYS ACT, 1917.

THE HIGHWAY IMPROVEMENT ACT, CHAP. 54, R.S.O. 1927

Year	Provincial	County	Township	Object Lesson	Conn. Links	T. & H. Highw.	Indian Res.	Colonization Roads	Roads in Northern Ontario	Year
1903-19	\$1,506,000 00	\$3,887,080 66	.....	\$125,760 41	.....	.....	.....	\$5,378,865 11	\$5,760,181 71	1903-19
1920	4,450,000 00	2,623,719 34	.....	33,730 27	\$2,900 00	.....	.....	451,808 59	1,241,405 90	1920
1921	9,925,022 95	3,635,267 34	\$326,668 81	5,000 00	16,622 10	.....	.....	506,180 80	1,409,126 19	1921
1922	12,050,000 00	5,110,217 49	701,349 61	.....	167,615 08	\$17,272 62	.....	671,184 48	1,694,889 56	1922
1923	16,897,172 79	4,257,871 34	669,483 05	.....	169,631 26	11,349 44	.....	827,855 98	2,688,151 48	1923
1924	6,600,000 00	3,418,059 04	613,860 54	.....	40,523 00	22,472 92	.....	447,444 66	2,949,239 56	1924
1925	8,350,000 00	3,213,783 60	638,808 11	.....	53,575 42	123,670 07	.....	474,409 34	3,381,301 86	1925
1926	6,750,000 00	3,222,099 91	988,118 04	.....	75,224 28	.....	\$6,870 69	296,317 27	3,736,612 01	1926
1927	9,150,000 00	2,878,724 84	1,319,173 80	.....	32,782 10	.....	1,714 73	498,188 75	3,943,361 77	1927
1928	11,650,000 00	3,740,443 99	1,602,547 95	.....	1,022 20	.....	13,459 92	359,383 68	3,830,647 42	1928
1929	12,450,000 00	4,359,577 69	1,794,950 66	.....	166,925 22	.....	24,203 11	405,564 91	4,943,462 70	1929
1930	13,875,000 00	4,590,367 00	2,131,211 67	.....	85,419 31	.....	25,520 34	600,626 77	7,200,962 50	1930
1931	12,670,000 00	4,417,696 10	2,309,576 36	.....	40,854 13	.....	29,603 14	497,265 93	8,776,122 79	1931
1932	7,750,000 00	3,670,334 72	1,877,405 55	.....	40,578 14	.....	13,245 01	443,623 76	15,187,839 16	1932
1933	5,200,000 00	2,105,893 72	1,377,640 28	.....	12,443 28	.....	14,334 75	304,684 54	5,875,537 01	1933
1934	12,297,558 97	1,463,519 72	1,000,058 41	.....	35,235 57	.....	14,856 13	223,611 80	23,637,867 89	1934
1935	2,374,878 42	1,206,757 97	608,564 43	.....	21,219 50	.....	13,520 40	152,033 86	10,091,247 64	1935
	\$154,345,630 13	\$57,861,414 47	\$17,959,417 27	\$164,490 68	\$970,570 59	\$174,765 05	\$157,328 28	\$12,739,050 23	\$106,347,957 15	

Summary of Expenditure

The Highway Improvement Act:	Capital	Ordinary
Provincial Highways.....	\$128,797,394 65	\$25,548,235 48
County Roads.....	40,030,935 53	17,830,478 94
Township Roads.....	7,598,216 10	10,361,201 17
Object Lesson Roads.....	164,490 68	.....
Connecting Links.....	942,887 14	27,683 45
Toronto and Hamilton Highway Commission.....	94,168 46	80,596 59
Indian Reserve Roads.....	78,978 33	78,349 95
	<u>\$177,707,070 89</u>	<u>\$53,926,545 58</u>
Colonization Roads.....	7,668,995 99	5,070,054 24
Roads in Northern Ontario.....	84,187,228 01	22,160,729 14

\$269,563,294 89	\$81,157,328 96
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RECAPITULATION

Expenditure.....	\$81,157,328 96
Repayments.....	36,943,049 34
	<u>\$269,563,294 89</u>
	Capital
	\$269,563,294 89
	Ordinary
	\$81,157,328 96
	<u>\$332,620,245 55</u>
Total Net Expenditure.....	\$70,202,700 41

Summary of Repayments

Year	Repayments	Subsidy	Total
1918.....	\$5,251 57	.....	\$5,251 57
1919.....	14,733 64	.....	14,733 64
1920.....	78,261 82	.....	78,261 82
1921.....	654,277 00	\$1,315,633 67	1,969,910 67
1922.....	1,561,149 44	2,058,613 62	3,619,763 06
1923.....	988,454 00	705,048 24	1,693,502 24
1924.....	2,834,155 43	839,303 48	3,673,458 91
1925.....	5,067,807 75	865,414 90	5,933,222 65
1926.....	1,977,814 99	50,000 00	2,027,814 99
1927.....	1,572,671 18	53,269 37	1,625,940 55
1928.....	1,950,806 64	.....	1,950,806 64
1929.....	2,172,153 18	.....	2,172,153 18
1930.....	3,547,715 81	.....	3,547,715 81
1931.....	4,308,316 80	.....	4,308,316 80
1932.....	8,366,401 33	.....	8,366,401 33
1933.....	2,755,754 87	.....	2,755,754 87
1934.....	3,493,850 90	.....	3,493,850 90
1935.....	660,818 26	.....	660,818 26
	<u>\$42,010,394 61</u>	<u>\$5,887,283 28</u>	<u>\$47,897,677 89</u>

Total	\$302,822,945 96
Ordinary	\$81,157,328 96
Capital	\$269,563,294 89
	<u>\$302,822,945 96</u>

G. A. Brown,  
Provincial Auditor.

## STATEMENT No. 4

## STATEMENT OF TREASURY BILLS OUTSTANDING

As at February 29th, 1936

Date of Maturity	Date of Issue	Series	Rate of Interest	Amount
June 1st, 1936	Dec. 1st, 1935	"DY"	2	\$ 1,000,000.00
Sept. 12th, 1936	Sept. 12th, 1934	"DN"	3	10,000,000.00
Nov. 15th, 1936	Nov. 15th, 1935	"DW"	2¼	2,000,000.00
Dec. 1st, 1936	Dec. 1st, 1935	"DV"	2¼	2,500,000.00
Dec. 1st, 1936	Dec. 1st, 1935	"DP"	2¼	7,000,000.00
Dec. 1st, 1936	Dec. 1st, 1935	"DK"	2¼	5,000,000.00
Jan. 31st, 1937	Jan. 31st, 1935	"DR"	2¼	10,000,000.00
Feb. 15th, 1937	Feb. 15th, 1935	"DR"	2¼	10,000,000.00
Dec. 1st, 1937	Dec. 1st, 1935	"DV"	2½	2,500,000.00
				<u>\$50,000,000.00</u>

## STATEMENT No. 5

## SCHEDULE OF TREASURY BILLS ISSUED

During Period from April 1st, 1935, to February 29th, 1936

Series	Date of Issue 1935	Term	Interest Rate %	Amount of Issue	Vendee
"DJ"	May 1st	Half Year	3	\$10,000,000.00	Sundry Canadian Chartered Banks
"DS"	May 15th	Half Year	3	4,000,000.00	
"DT"	June 1st	Half Year	3	10,000,000.00	
"W"	June 1st	Half Year	3	\$ 500,000.00	Workmen's Compensation Board
"W"	Aug. 28th	On Demand	2 $\frac{1}{4}$	500,000.00	
"W"	Aug. 28th	4 $\frac{1}{2}$ Months	2 $\frac{1}{4}$	1,000,000.00	
"DU"	Aug. 30th	3 Months	2 $\frac{1}{2}$	\$ 6,000,000.00	Sundry Canadian Chartered Banks
"DW"	Nov. 15th	1 Year	2 $\frac{1}{4}$	2,000,000.00	
"DP"	Dec. 1st	1 Year	2 $\frac{1}{4}$	7,000,000.00	
"DV"	Dec. 1st	1 Year	2 $\frac{1}{4}$	3,000,000.00	
"DV"	Dec. 1st	1 Year	2 $\frac{1}{4}$	2,500,000.00	
"DV"	Dec. 1st	2 Years	2 $\frac{1}{2}$	2,500,000.00	
"DX"	Dec. 1st	1 Year	2 $\frac{1}{4}$	5,000,000.00	
"DY"	Dec. 1st	Half Year	2	1,000,000.00	
				<u>\$55,000,000.00</u>	

## NOTE

All the above listed Treasury Bills are domiciled in Canada and are repayable only in Canadian Funds.



## STATEMENT No. 6

## STATEMENT OF TREASURY BILLS REDEEMED OR REPURCHASED

During Period from April 1st, 1935, to February 29th, 1936

Series	Date of Maturity	Date of Issue	Date of Purchase or Redemption	Interest Rate%	Amount
"DJ"	May 1, 1935	Nov. 1, 1934	May 1, 1935	3	\$10,000,000.00
"CJ"	On Demand	Oct. 31, 1934	July 15, 1935	2¼	100,000.00
"HY"	Oct. 31, 1935	Jan. 15, 1935	July 16, 1935	2 15/16	\$1,000,000.00
			July 29, 1935		1,000,000.00
					<u>2,000,000.00</u>
"DJ"	Nov. 1, 1935	May 1, 1935	June 26, 1935	3	\$4,000,000.00
			July 4, 1935		4,000,000.00
			July 5, 1935		1,000,000.00
			Nov. 1, 1935		1,000,000.00
					<u>10,000,000.00</u>
"DS"	Nov. 15, 1935	May 15, 1935	July 4, 1935	3	\$ 500,000.00
			Nov. 15, 1935		3,500,000.00
					<u>4,000,000.00</u>
"DU"	Nov. 30, 1935	Aug. 30, 1935	Nov. 1, 1935	2½	\$5,000,000.00
			Nov. 30, 1935		1,000,000.00
					<u>6,000,000.00</u>
"DP"	Dec. 1, 1935	Dec. 1, 1934	Dec. 1, 1935	2⅞	7,000,000.00
"DT"	Dec. 1, 1935	June 1, 1935	July 16, 1935	3	\$1,000,000.00
			Dec. 1, 1935		9,000,000.00
					<u>10,000,000.00</u>
"W"	Dec. 1, 1935	June 1, 1935	June 18, 1935	3	500,000.00
"W"	On Demand	Aug. 28, 1935	Nov. 12, 1935	2¼	\$ 100,000.00
			Dec. 4, 1935		100,000.00
			Dec. 11, 1935		100,000.00
			Dec. 20, 1935		100,000.00
			Dec. 30, 1935		100,000.00
					<u>500,000.00</u>
"W"	Jan. 2 to 11/36	Aug. 28, 1935	Dec. 30, 1935	2¼	1,000,000.00
"BG"	Jan. 31, 1936	Feb. 2, 1931	Jan. 31, 1936	5	800,000.00
"DV"	Dec. 1, 1936	Dec. 1, 1935	Feb. 29, 1936	2¼	3,000,000.00
					<u>\$54,900,000.00</u>

## STATEMENT No. 7

PROVINCE					
Statement of Gross					
1914-					
		Gross Debt	Realizable and Income		
		Total	Yearly	Hydro	Loans, Cash
		\$	Increase	\$	and Accts.
			\$		Receivable
					\$
End of Whitney Regime	1914.....	41,716,000	.....	10,110,000	5,066,000
Hearst Regime	1915.....	50,275,000	8,559,000	12,316,000	8,007,000
" "	1916.....	59,336,000	9,061,000	21,939,000	7,684,000
" "	1917.....	61,825,000	2,489,000	27,489,000	5,805,000
" "	1918.....	75,309,000	13,484,000	36,244,000	9,477,000
" "	1919.....	97,032,000	21,723,000	47,700,000	13,882,000
Drury Regime	1920.....	127,262,000	30,230,000	65,717,000	16,009,000
" "	1921.....	202,446,000	75,184,000	102,946,000	31,292,000
" "	1922.....	233,189,000	30,743,000	116,786,000	30,704,000
" "	1923.....	291,025,000	57,836,000	124,360,000	37,612,000
Ferguson Regime	1924.....	329,508,000	38,483,000	135,045,000	45,262,000
" "	1925.....	332,391,000	2,883,000	141,717,000	27,885,000
" "	1926.....	349,116,000	16,725,000	142,473,000	31,899,000
" "	1927.....	368,920,000	19,804,000	147,120,000	33,813,000
" "	1928.....	394,114,000	25,194,000	152,936,000	37,176,000
" "	1929.....	426,914,000	32,800,000	164,522,000	44,007,000
" "	1930.....	473,372,000	46,458,000	176,799,000	53,587,000
Henry Regime	1931.....	520,667,000	47,295,000	188,377,000	58,055,000
" "	1932.....	574,419,000	53,752,000	189,635,000	76,902,000
" "	1933.....	594,128,000	19,709,000	187,965,000	76,514,000
" "	1934.....	655,761,000	61,633,000	187,829,000	72,247,000
Hepburn Regime	1935*.....	674,386,000	18,625,000	187,878,000	70,885,000

\*Five months ended March 31st.

\*\*—NOTE:—Per Capita Debt—Population 1914 to 1920 based on Assessed population per Bureau of Municipal Affairs Annual Reports, with 200,000 added for unorganized districts. Population 1921 and after as per Dominion Bureau of Statistics' Estimates.

NOTE:—Actual figures to nearest \$1,000.

## STATEMENT No. 7

## OF ONTARIO

## and Net Debt

1935\*

## Producing Assets

## Net Debt

Total \$	Yearly Increase \$	Total \$	Yearly Increase \$	Year	Population	** Per Capita Net Debt
35,422,000	.....	6,294,000	.....	1914 Est.	2,739,000	2.30
40,806,000	5,384,000	9,469,000	3,175,000	1915 "	2,798,000	3.38
50,807,000	10,001,000	8,529,000	940,000	1916 "	2,780,000	3.07
54,888,000	4,081,000	6,937,000	1,592,000	1917 "	2,760,000	2.51
67,544,000	12,656,000	7,765,000	828,000	1918 "	2,779,000	2.79
83,917,000	16,373,000	13,115,000	5,350,000	1919 "	2,822,000	4.65
104,407,000	20,490,000	22,855,000	9,740,000	1920 "	2,850,000	8.02
157,837,000	53,430,000	44,609,000	21,754,000	1921 Cen.	2,933,000	15.21
173,144,000	15,307,000	60,045,000	15,436,000	1922 Est.	2,976,000	20.18
190,047,000	16,903,000	100,978,000	40,933,000	1923 "	3,019,000	33.45
210,515,000	20,468,000	118,993,000	18,015,000	1924 "	3,062,000	38.86
199,810,000	10,705,000	132,581,000	13,588,000	1925 "	3,103,000	42.73
204,580,000	4,770,000	144,536,000	11,955,000	1926 "	3,146,000	45.94
211,141,000	6,561,000	157,779,000	13,243,000	1927 "	3,187,000	49.51
220,320,000	9,179,000	173,794,000	16,015,000	1928 "	3,229,000	53.82
238,737,000	18,417,000	188,177,000	14,383,000	1929 "	3,271,000	57.53
260,594,000	21,857,000	212,778,000	24,601,000	1930 "	3,313,000	64.23
276,640,000	16,046,000	244,027,000	31,249,000	1931 Cen.	3,426,000	71.23
296,745,000	20,105,000	277,674,000	33,647,000	1932 Est.	3,475,000	79.91
294,687,000	2,058,000	299,441,000	21,767,000	1933 "	3,520,000	85.07
297,284,000	2,597,000	358,477,000	59,036,000	1934 "	3,566,000	100.53
295,971,000	1,313,000	378,415,000	19,938,000	1934 "	3,566,000	106.12



## STATEMENT No. 8

## STATEMENT OF GROSS

1914-

INCREASE

## Gross Debt

		Total	Hydro
End of Whitney Regime	1914.....	\$ 41,716,000	\$ 10,110,000
End of Hearst Regime	1919.....	97,032,000	47,700,000
End of Drury Regime	1923.....	291,025,000	124,360,000
End of Ferguson Regime	1930.....	473,372,000	176,799,000
End of Henry Regime	1934.....	655,761,000	187,829,000
<b>HEARST—5 YEARS</b>			
End of Hearst Regime	1919.....	97,032,000	47,700,000
End of Whitney Regime	1914.....	41,716,000	10,110,000
Increase over 5 years.....		\$ 55,316,000	\$ 37,590,000
Average Annual Increase.....		<u>\$ 11,063,000</u>	<u>\$ 7,518,000</u>
<b>DRURY—4 YEARS</b>			
End of Drury Regime	1923.....	\$291,025,000	\$124,360,000
End of Hearst Regime	1919.....	97,032,000	47,700,000
Increase over 4 years.....		\$193,993,000	\$ 76,660,000
Average Annual Increase.....		<u>\$ 48,498,000</u>	<u>\$ 19,165,000</u>
<b>FERGUSON—7 YEARS</b>			
End of Ferguson Regime	1930.....	\$473,372,000	\$176,799,000
End of Drury Regime	1923.....	291,025,000	124,360,000
Increase over 7 years.....		\$182,347,000	\$ 52,439,000
Average Annual Increase.....		<u>\$ 26,049,000</u>	<u>\$ 7,491,000</u>
<b>HENRY—4 YEARS</b>			
End of Henry Regime	1934.....	\$655,761,000	\$187,829,000
End of Ferguson Regime	1930.....	473,372,000	176,799,000
Increase over 4 years.....		\$182,389,000	\$ 11,030,000
Average Annual Increase.....		<u>\$ 45,597,000</u>	<u>\$ 2,757,000</u>
<b>HEPBURN—5 MONTHS</b>			
End of March	*1935.....	\$674,386,000	\$187,878,000
End of Henry Regime	1934.....	655,761,000	187,829,000
Increase over 5 months.....		<u>\$ 18,625,000</u>	<u>\$ 49,000</u>

\*Five months ended March 31st.

NOTE:—Actual figures to nearest \$1,000.

## STATEMENT No. 8

## AND NET DEBT

1935\*

## BY REGIMES

## Realizable and Income Producing Assets

## Net Debt

	Loans, Cash and Accts. Receivable	Total	Total
T. & N.O.			
\$ 20,246,000	\$ 5,066,000	\$ 35,422,000	\$ 6,294,000
22,335,000	13,882,000	83,917,000	13,115,000
28,075,000	37,612,000	190,047,000	100,978,000
30,208,000	53,587,000	260,594,000	212,778,000
37,208,000	72,247,000	297,284,000	358,477,000
22,335,000	13,882,000	83,917,000	13,115,000
20,246,000	5,066,000	35,422,000	6,294,000
<u>\$ 2,089,000</u>	<u>\$ 8,816,000</u>	<u>\$ 48,495,000</u>	<u>\$ 6,821,000</u>
<u>\$ 418,000</u>	<u>\$ 1,763,000</u>	<u>\$ 9,699,000</u>	<u>\$ 1,364,000</u>
<u>\$ 28,075,000</u>	<u>\$ 37,612,000</u>	<u>\$190,047,000</u>	<u>\$100,978,000</u>
22,335,000	13,882,000	83,917,000	13,115,000
<u>\$ 5,740,000</u>	<u>\$ 23,730,000</u>	<u>\$106,130,000</u>	<u>\$ 87,863,000</u>
<u>\$ 1,435,000</u>	<u>\$ 5,932,000</u>	<u>\$ 26,532,000</u>	<u>\$ 21,966,000</u>
<u>\$ 30,208,000</u>	<u>\$ 53,587,000</u>	<u>\$260,594,000</u>	<u>\$212,778,000</u>
28,075,000	37,612,000	190,047,000	100,978,000
<u>\$ 2,133,000</u>	<u>\$ 15,975,000</u>	<u>\$ 70,547,000</u>	<u>\$111,800,000</u>
<u>\$ 305,000</u>	<u>\$ 2,282,000</u>	<u>\$ 10,078,000</u>	<u>\$ 15,971,000</u>
<u>\$ 37,208,000</u>	<u>\$ 72,247,000</u>	<u>\$297,284,000</u>	<u>\$358,477,000</u>
30,208,000	53,587,000	260,594,000	212,778,000
<u>\$ 7,000,000</u>	<u>\$ 18,660,000</u>	<u>\$ 36,690,000</u>	<u>\$145,699,000</u>
<u>\$ 1,750,000</u>	<u>\$ 4,665,000</u>	<u>\$ 9,172,000</u>	<u>\$ 36,425,000</u>
<u>\$ 37,208,000</u>	<u>\$ 70,885,000</u>	<u>\$295,971,000</u>	<u>\$378,415,000</u>
37,208,000	72,247,000	297,284,000	358,477,000
<u>.....</u>	<u>\$ 1,362,000</u>	<u>\$ 1,313,000</u>	<u>\$ 19,938,000</u>

## STATEMENT No. 9A

## AGRICULTURAL

## Balance Sheet as at

## ASSETS

Mortgage Loans.....	\$47,333,908.46	
Farm Properties Owned.....	1,957,144.25	\$49,291,052.71
Mortgage Loans Interest Arrears.....	\$ 4,504,047.79	
Farm Properties Owned, Interest Arrears.....	419,138.55	4,923,186.34
Mortgage Loans Sundries.....	\$ 140,764.32	
Farm Properties Owned—Sundries.....	231,956.23	372,720.55
Interest Accrued and Earned.....		1,254,220.30
CASH ON HAND AND IN BANKS:		
Capital Account.....	\$ 100,273.04	
Current Account.....	28,193.13	
Insurance Loss Account.....	77,546.24	
Insurance Deposit Account.....	9,712.88	
Trust Account.....	204.47	
Cash on Hand.....	208,674.25	424,604.01
Accounts Receivable.....		2,891.58
Office Equipment.....		7,551.33
Deficit on Operations.....		71,277.59
		<u>\$56,347,504.41</u>

## STATEMENT No. 9A

## DEVELOPMENT BOARD

March 31st, 1935

## LIABILITIES

Debentures due Provincial Treasurer.....		\$49,600,000.00
Interest Due on Debentures.....		5,608,560.36
Sale Surpluses Held.....		25,189.07
Insurance Loss Balances.....		77,546.24
Trust Account Collateral to Loan.....		204.47
Insurance Collections.....		9,712.88
RESERVES:		
Mortgage Loans—Interest Reserve.....	\$234,432.29	
Farm Properties Owned—Interest Reserve.....	419,138.55	
		<u>653,570.84</u>
Mortgage Loans—Sundries Reserve.....	\$140,764.32	
Farm Properties Owned—Sundries Reserve.....	231,956.23	
		<u>372,720.55</u>

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\$56,347,504.41


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## STATEMENT No. 9B

## BEACH COMMISSION

at March 31st, 1935

## LIABILITIES

DEBENTURES.....	\$	36,250.00	
MICHAEL ROSS ACCOUNT.....		152.21	
RESERVE FOR EMPLOYERS' LIABILITY.....		4,075.00	
ACCOUNTS PAYABLE.....		1,083.40	
DUE TO BANK.....		1,799.92	
SURPLUS AS ON DECEMBER 31ST, 1934.....	\$	509,016.79	
Plus—Adjustment re Prepaid Insurance.....		180.40	
		<u>\$509,197.19</u>	
Less—Carried down from Revenue a/c.....		<u>5,996.68</u>	
			503,200.51
			<u><u>\$546,561.04</u></u>

## STATEMENT No. 9C

## THE LIQUOR CONTROL

## BALANCE

As at March

## ASSETS

Land, Buildings, Furniture, Equipment, Fixtures and Alterations to Rented Premises, Less Amounts written off . . . . .	\$ 151,757.93	
Cash on Hand, in Transit and in Banks . . . . .	\$ 217,331.13	
Accounts Receivable . . . . .	251,696.33	
Inventories of Liquor and Supplies in Warehouses and Stores . .	2,062,739.03	
		2,531,766.49
Prepaid Charges . . . . .		16,346.72
		<u>\$2,699,871.14</u>

## STATEMENT No. 9C

## BOARD OF ONTARIO

## SHEET

31st, 1935

## LIABILITIES

Accounts Payable, Accrued Charges, Deferred Revenue, etc.....	\$1,077,502.36
Surplus as at March 31st, 1935.....	1,622,368.78

\$2,699,871.14

## CONTINGENT LIABILITIES:

Goods Ordered but not Delivered.....	\$ 71,617.20
Duty on Goods in Bond.....	284,522.29
Goods on Consignment.....	<u>18,129.20</u>

## AUDITORS' CERTIFICATE

We report that we have audited the books and accounts of The Liquor Control Board of Ontario for the five months ending March 31st, 1935, and in our opinion, the above Balance Sheet exhibits a true and correct view of the position of its affairs of that date.

(Signed) BROKENSHIRE, SCARFF & COMPANY,  
Chartered Accountants.



## STATEMENT No. 9D

## NIAGARA PARKS

## ESTIMATED BALANCE SHEET

## ASSETS

## CURRENT:

Cash on Hand.....	\$	1,000.00	
Accounts Receivable.....		1,746.24	
Inventories of Supplies and Souvenirs.....		3,561.16	
Accrued Rentals Receivable.....		168,234.79	
			\$ 174,542.19

## RESERVE FUNDS:

Sinking Fund provisions for Debenture Issues:

(1) Treasury Department of Ontario, at credit with.....	\$	116,044.45	
(2) 1935 Accrued.....		18,619.85	

(Deducted from Debenture Issues).....\$ 134,664.30

In Guaranteed Investment Certificates of The Toronto General  
Trusts Corporation for:

(1) Public Liability.....	\$	27,247.27	
(2) Depreciation, Buildings and Improvements.....		52,808.72	

80,055.99

## PROPERTY:

Land, Buildings, and Improvements, cost.....	\$4,078,038.75		
Less: Reserve for Depreciation.....	947,947.40		
		\$3,130,091.35	

Office and Restaurant Equipment, cost.....	\$	99,085.51	
Less: Reserve for Depreciation.....		91,235.87	
			7,849.64

Cars and Trucks, cost.....	\$	8,504.81	
Less: Reserve for Depreciation.....		7,751.28	
			753.53

Miscellaneous, Equipment and Tools, cost.....	\$	27,227.80	
Less: Reserve for Depreciation.....		26,634.59	
			593.21

Tableware, Linens and Utensils, cost.....	\$	29,371.83	
Less: Reserve for Depreciation.....		23,484.54	
			5,887.29

3,145,175.02

## DEFERRED:

Payment made by the Commission in 1932 to the  
City of Niagara Falls in respect to the removal of  
the City Water Works from the Park Properties.

	\$	50,000.00	
Less: Written off.....		16,666.66	
			\$ 33,333.34

Legal, Engineering, Survey Fees and cost to date of protection of property in connection with Inter- national Railway Lease terminated in 1932; less insurance money received for the burning of "Whirlpool" property and less money received for certain small items.....			25,355.18
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Discount on Debentures.....	\$	87,820.00	
Less: Written off.....		29,733.30	
			58,086.70

Inventories of Expense Items.....		4,624.34	
			121,399.56

\$3,521,172.76

## STATEMENT No. 9D

## COMMISSION

AS AT MARCH 31st, 1935

## LIABILITIES

## CURRENT:

Can. Bank of Commerce, Niagara Falls, Direct Advance.....\$ 75,000.00  
Overdraft in Pay-Roll Account..... 4,231.51

\$ 79,231.51  
Less: At Credit of Chairman's Account..... 23,855.62  
Less: At Credit of Current Account..... 850.00

Accounts Payable.....\$ 54,525.89  
21,349.33  
\$ 75,875.22

## DEBENTURES (Guaranteed by Province of Ontario):

4% Instalment Gold Debentures, payable 1st December, 1928 to 1947.....\$2,000,000.00  
Less: Redeemed..... 532,000.00

\$1,468,000.00  
Accrued Interest thereon..... 19,573.33

\$1,487,573.33

5½% 15-Year Debentures, due 1st August, 1947...\$ 300,000.00  
Accrued Interest thereon..... 2,750.00

\$ 302,750.00  
Less: Part of \$134,664.30..... 41,212.28

\$ 261,537.72

4½% 5-Year Debentures, due 15th October, 1937..\$ 200,000.00  
Accrued Interest thereon..... 4,134.24

\$ 204,134.24  
Less: Balance of \$134,664.30..... 93,452.02

110,682.22  
1,859,793.27  
27,247.27

RESERVE—Public Liability.....

## SURPLUS:

As at December 1st, 1934.....\$1,464,804.11  
Add: Excess of Revenue over Operating Expenses for Period..... 93,452.89  
1,558,257.00

\$3,521,172.76

## STATEMENT No. 9E

## PRESQU'ILE PARK

## Balance Sheet as at

## ASSETS

## CURRENT:

Cash on hand.....	\$	9.92	
Bills Receivable.....		102.67	
		<u>          </u>	\$ 112.59

## FIXED:

Lands, Roads, Parks, Wells, etc.....	\$	34,800.72	
Tools and Equipment.....		1,060.51	
Office Furniture.....		176.72	
		<u>          </u>	36,037.95

## INVESTMENTS (on a/c of Sinking Fund re Debentures)

Dominion and Ontario Government Bonds....	\$	5,469.00	
Special Deposit (Savings Account).....		1,223.23	
		<u>          </u>	6,692.23
		<u>          </u>	<u>\$ 42,842.77</u>

## STATEMENT No. 9E

## COMMISSION

March 31st, 1935

## LIABILITIES

Debentures 6% dated 1st May, 1923. Due 1st May, 1943, interest 1st May and 1st Nov.....	\$ 20,000.00
Due to Bank.....	20.20
Bills Payable.....	306.56
Surplus as at 31st December, 1934.....	\$ 23,039.06
Less Balance from Revenue Account.....	523.05
	<hr/>
	22,516.01

---

\$ 42,842.77



## STATEMENT No. 9F

## THE PROVINCE OF

## Balance Sheet as

## ASSETS

## CASH:

On Hand.....	\$377,183.98
In Banks.....	317,634.95

## IN TRANSIT:

Due from Branches.....	\$5,796.46
Less due to Branches.....	1,551.38

---

 4,245.08

---

 \$ 699,064.01

Deposit with Provincial Treasurer.....	21,857,265.93
--	---------------

Miscellaneous Accounts Receivable.....	4,455.86
--	----------

Furniture and Fixtures.....	\$104,687.52
-----------------------------	--------------

Less: Reserve for Depreciation.....	44,452.62
-------------------------------------	-----------

---

 60,234.90

---

 \$22,621,020.70
 

---

## STATEMENT No. 9F

## ONTARIO SAVINGS OFFICES

at March 31st, 1935

## LIABILITIES

Depositors' Funds.....	\$22,326,489.50
Surplus.....	294,531.20

---

---

\$22,621,020.70

## STATEMENT No. 9G

## TEMISKAMING AND NORTHERN

## Balance Sheet

## ASSETS

## PROPERTY OWNED:

Cost of Road.....	\$34,047,608.98	
Cost of Equipment.....	5,371,836.32	
		<u>\$39,419,445.30</u>
Nipissing Central Railway.....		4,784,795.62
Restaurants and News Equipment.....		12,155.48

## CURRENT ASSETS:

Cash.....	\$ 579,205.96	
Accounts Collectible.....	143,958.61	
Balance Due on Townsite Sales.....	5,107.84	
Agents and Conductors.....	35,132.08	
Traffic Balance—Freight.....	109,249.84	
Material and Supplies.....	585,272.49	
Ballast Pit Sidings.....	43,517.06	
Other Assets.....	1,717.09	
		<u>1,503,160.97</u>

## DEFERRED ASSETS:

Pension Department—Investments.....		203,316.07
-------------------------------------	--	------------

## UNADJUSTED DEBITS:

Surveys.....	\$ 41,137.91	
Treasurer's Advance.....	200.00	
Discount—Funded Debt.....	75,038.22	
Accounts in Suspense.....	2,904.43	
		<u>119,280.56</u>
		<u><u>\$46,042,154.00</u></u>

## STATEMENT No. 9G

## ONTARIO RAILWAY COMMISSION

as at 31st March, 1935

## LIABILITIES

Provincial of Ontario—Loan:	
Interest Bearing Loan.....	\$ 7,000,000.00
Non-Interest Bearing Loan.....	30,207,934.92
	<u>\$37,207,934.92</u>
LONG TERM DEBT:	
Funded Debt—Payable in annual instalments in the years 1939 to 1968 inclusive—Interest 4% per annum.....	6,000,000.00
CURRENT LIABILITIES:	
Audited Accounts and Wages Payable.....	\$ 264,002.06
Traffic Balances—Net.....	20,931.88
Bond Interest—Due and Accrued.....	42,320.00
	<u>327,253.94</u>
DEFERRED LIABILITIES:	
Pension Fund Reserve.....	\$ 203,316.07
Insurance Reserve.....	3,904.22
	<u>207,220.29</u>
UNADJUSTED CREDITS:	
Equipment Depreciation Reserve.....	\$1,649,581.40
Restaurants and News Equipment Depreciation Reserve.....	7,309.28
Fidelity Insurance Reserve.....	3,000.00
News Agents' Security Deposit.....	15.00
Operating Reserve.....	125,000.00
Accounts in Suspense.....	9,607.42
	<u>1,794,513.10</u>
SURPLUS:	
Profit and Loss—Balance.....	505,231.75

\$46,042,154.00



## STATEMENT No. 10

## DATA re LEGISLATIVE ASSEMBLY 1867 TO 1935

## SHOWING FOR THE RESPECTIVE YEARS

- (1) Date of Meeting  
 (2) Date of Budget Presentation  
 (3) Dates of Adjournment during Session  
 (4) Reason for Adjournment  
 (5) Date of Prorogation

Year	House Met	Budget Presented	House Adjourned During Session	Reason for Adjournment	Date of Prorogation
1867-8	Dec. 27, 1867	Feb. 18, 1868	.....	.....	Mar. 4, 1868
1868-9	Nov. 3, 1868	Dec. 15, 1868	Dec. 19-Jan. 6.....	Holidays.....	Jan. 23, 1869
			Jan. 6-Jan. 7.....	Death of W. M. Shaw (Lanark)	
1869	Nov. 3, 1869	Dec. 11, 1869	Nov. 4-Nov. 8.....	.....	Dec. 24, 1869
			Nov. 9-Nov. 10.....	Death of Hon. P. M. VanKoughnet	
1870-1	Dec. 7, 1870	Jan. 31, 1871	.....	.....	Feb. 15, 1871
1871-2	Dec. 7, 1871	Feb. 7, 1872	Dec. 22-Jan. 18.....	Holidays.....	Mar. 2, 1872
1873	Jan. 8, 1873	Feb. 21, 1873	Jan. 15-Jan. 17.....	.....	Mar. 29, 1873
			Jan. 28-Jan. 30.....	.....	
1874	Jan. 7, 1874	Feb. 20, 1874	Jan. 16-Feb. 3.....	.....	Mar. 24, 1874
1st Session			.....	.....	
1874	Nov. 12, 1874	Nov. 19, 1874	.....	.....	Dec. 21, 1874
2nd Session			.....	.....	
1875-6	Nov. 24, 1875	Dec. 3, 1875	Jan. 22nd, 3.45 a.m.	No Quorum.....	Feb. 10, 1876
1877	Jan. 3, 1877	Jan. 16, 1877	Jan. 12th, 3.45 p.m.	Death of Peter Graham (Frontenac)	Mar. 2, 1877
			Jan. 22nd, 3.45 p.m.	Death of John Fleming (Waterloo)	
			Feb. 5th, 7.55 p.m.	No Quorum.....	
1878	Jan. 9, 1878	Jan. 24, 1878	Feb. 4th, 7.45 p.m.	No Quorum.....	Mar. 7, 1878
1879	Jan. 9, 1879	Feb. 5, 1879	.....	.....	Mar. 11, 1879
1880	Jan. 7, 1880	Jan. 29, 1880	.....	.....	Mar. 6, 1880
1881	Jan. 13, 1881	Jan. 27 and Feb. 1st, 1881	Feb. 4th, 7.45 p.m.	No Quorum.....	Mar. 4, 1881
1882	Jan. 12, 1882	Feb. 14, 1882	.....	.....	Mar. 10, 1882
1882-3	Dec. 13, 1882	Jan. 10, 1883	Dec. 21-Jan. 4.....	Holidays.....	Feb. 1, 1883
1884	Jan. 23, 1884	Feb. 21, 1884	Feb. 20th, 3.30 p.m.	Death of A. W. Lauder (Grey)	Mar. 25, 1884
1885	Jan. 28, 1885	Feb. 13, 1885	Mar. 2nd, 3.30 p.m.	Death of Daniel McCraney (Kent)	Mar. 30, 1885
			Feb. 17-Feb. 19th..	.....	
1886	Jan. 20, 1886	Feb. 18, 1886	.....	.....	Mar. 25, 1886
1887	Feb. 10, 1887	Mar. 15, 1887	Feb. 10-Mar. 1.....	Dominion Election..	Apr. 13, 1887
			Mar. 24-Mar. 28.....	.....	
			Apr. 7-Apr. 12.....	Easter Holidays.....	
1888	Jan. 25, 1888	Feb. 14, 1888	Feb. 21-Feb. 23.....	.....	Mar. 23, 1888
			Mar. 21-Mar. 23.....	.....	
1889	Jan. 24, 1889	Feb. 14, 1889	Mar. 21-Mar. 23.....	.....	Mar. 23, 1889
1890	Jan. 31, 1890	Feb. 13, 1890	.....	.....	Apr. 7, 1890
1891	Feb. 11, 1891	Mar. 24, 1891	Feb. 12-Mar. 10... Mar. 26-Mar. 31... Apr. 30-May 2.....	Dominion Election.. Easter Holidays	May 4, 1891
1892	Feb. 11, 1892	Feb. 19, 1892	Mar. 10th, 3.10 p.m.	Death of H. G. Clarke (Toronto)	Apr. 14, 1892
1893	Apr. 4, 1893	Apr. 11, 1893	Apr. 6-Apr. 10.....	.....	May 27, 1893
1894	Feb. 14, 1894	Mar. 6, 1894	Mar. 22-Mar. 26.....	Easter Holidays.....	May 5, 1894
1895	Feb. 21, 1895	Feb. 28, 1895	.....	.....	Apr. 16, 1895
1896	Feb. 11, 1896	Feb. 19, 1896	.....	.....	Apr. 7, 1896
1897	Feb. 10, 1897	Feb. 18, 1897	.....	.....	Apr. 13, 1897
1897-8	Nov. 30, 1897	Dec. 14, 1897	Dec. 23-Dec. 28... Dec. 30-Jan. 4.....	Christmas..... New Years.....	Jan. 17, 1898
1898	Aug. 3, 1898	.....	.....	.....	Oct. 12, 1898
1899	Feb. 1, 1899	Feb. 9, 1899	Good Friday, 7.10 a.m. to Saturday, 3 p.m.	.....	Apr. 1, 1899
1900	Feb. 14, 1900	Mar. 8, 1900	Feb. 15-19th..... Feb. 23-27th..... Apr. 12-17th.....	..... ..... Easter Holidays.....	Apr. 30, 1900
1901	Feb. 6, 1901	Feb. 21, 1901	Feb. 7-12th..... Apr. 4-9th.....	..... Easter Holidays.....	Apr. 15, 1901
1902	Jan. 8, 1902	Jan. 22, 1902	Jan. 9-13th..... Mar. 11th.....	..... Death of wife of Premier Ross	Mar. 17, 1902
1903	Mar. 10, 1903	Apr. 28, 1903	Mar. 31-Apr. 21... Apr. 21-Apr. 23.....	..... Funeral of Sir Oliver Mowat.	June 27, 1903
1904	Jan. 14, 1904	Feb. 9, 1904	Jan. 28-Feb. 1..... Mar. 30-Apr. 5.....	..... Easter Holidays.....	Apr. 26, 1904
1905	Mar. 22, 1905	Apr. 11, 1905	Mar. 20-Apr. 2.....	Easter Holidays.....	May 26, 1905
1906	Feb. 15, 1906	Mar. 20, 1906	Apr. 12-Apr. 18.....	Easter Holidays.....	May 14, 1906
1907	Jan. 24, 1907	Feb. 28, 1907	Feb. 5-Feb. 7..... Apr. 9-Apr. 11..... Mar. 27-Apr. 3..... Apr. 9th, 4.30 p.m.	..... ..... Easter Holidays..... Death of Speaker, Hon. St. John	Apr. 20, 1907

## STATEMENT No. 10

## DATA re LEGISLATIVE ASSEMBLY 1867 to 1935—Continued

Year	House Met	Budget Presented	House Adjourned During Session	Reason for Adjournment	Date of Prorogation
1908	Feb. 5, 1908	Mar. 19, 1908	.....	.....	Apr. 14, 1908
1909	Feb. 16, 1909	Mar. 4, 1909	.....	.....	Apr. 13, 1909
1910	Jan. 25, 1910	Feb. 3, 1910	.....	.....	Mar. 19, 1910
1911	Jan. 25, 1911	Feb. 2, 1911	Jan. 26-30th.....	.....	Mar. 24, 1911
1912	Feb. 7, 1912	Mar. 7, 1912	Mar. 4th, 3.20 p.m.	Death of Hon. Edward Blake..	Apr. 15, 1912
1913	Feb. 4, 1913	Mar. 4, 1913	Feb. 5th, 3.35 p.m.	Death of Hon. A. J. Matheson .....	May 9, 1913
			Mar. 20-25th.....	Easter Holidays.....	
			Apr. 23-May 6....	Proudfoot Investigation	
1914	Feb. 18, 1914	Mar. 3, 1914	Mar. 9th, 3.45 p.m.	Out of respect to memory of Sir George Ross	May 1, 1914
1915	Feb. 15, 1915	Feb. 23, 1915	Feb. 17th.....	Out of respect to memory of Sir James Whitney	Apr. 8, 1915
1916	Feb. 29, 1916	Mar. 7, 1916	Mar. 2-6th.....	.....	Apr. 27, 1916
			Mar. 22-24th.....	.....	
1917	Feb. 13, 1917	Mar. 22, 1917	Feb. 14th.....	Out of respect to the memory of Hon. J. J. Foy, Hon. J. S. Duff and S. H. Armstrong.....	Apr. 12, 1917
1918	Feb. 5, 1918	Feb. 12, 1918	Feb. 8th-12th.....	.....	Mar. 26, 1918
1919	Feb. 25, 1919	Mar. 6, 1919	Mar. 20th.....	Out of respect to memory of Hon. W. J. Hanna	Apr. 24, 1919
1920	Mar. 9, 1920	Apr. 13, 1920	Mar. 12th-16th....	Easter Holidays.....	June 4, 1920
			Apr. 1st-6th.....	Victoria Day.....	
			May 21st-25th.....	.....	
1921	Jan. 25, 1921	Feb. 15, 1921	Jan. 27th-Feb. 1st..	.....	May 3, 1921
			Mar. 23-Mar. 29th..	.....	
			Apr. 15-Apr. 19th..	Easter Holidays.....	
1922	Feb. 14, 1922	Mar. 16, 1922	Feb. 17-Feb. 21st..	.....	June 13, 1922
			Apr. 3rd.....	Out of respect to memory of Sir John Eaton	
			Apr. 13th-18th.....	Easter Holidays.....	
			May 23-25th.....	Victoria Day.....	
1923	Jan. 23, 1923	Feb. 22, 1923	Jan. 26-30th.....	.....	May 8, 1923
			Mar. 5th.....	Out of respect to memory of Reginald A. Fowler	
			Mar. 20th.....	Out of respect to memory of wife of J. W. Curry	
			Mar. 28-Apr. 3rd...	Easter Holidays.....	
1924	Feb. 6, 1924	Feb. 19, 1924	.....	.....	Apr. 17, 1924
1925	Feb. 10, 1925	Mar. 5, 1925	Feb. 13-17th.....	.....	Apr. 14, 1925
			Mar. 6-10th.....	.....	
1926	Feb. 10, 1926	Mar. 11, 1926	Apr. 1-6th.....	Easter Holidays.....	Apr. 8, 1926
			Feb. 11-15th.....	In memory of late Hon. Sir Adam Beck	
			Feb. 23-25th.....	In memory of late Arthur H. Sydere, Clerk of the House	
1927	Feb. 2, 1927	Feb. 22, 1927	.....	.....	Apr. 5, 1927
1928	Feb. 9, 1928	Mar. 1, 1928	.....	.....	Apr. 3, 1928
1929	Jan. 30, 1929	Feb. 26, 1929	Feb. 19-21st.....	.....	Mar. 28, 1929
1930	Feb. 5, 1930	Mar. 4, 1930	.....	.....	Apr. 3, 1930
1931	Feb. 12, 1931	Mar. 12, 1931	.....	.....	Apr. 2, 1931
1932	Feb. 10, 1932	Mar. 11, 1932	.....	.....	Mar. 29, 1932
1933	Feb. 15, 1933	Mar. 23, 1933	.....	.....	Apr. 18, 1933
1934	Jan. 31, 1934	Mar. 1, 1934	Feb. 1-5th.....	Out of respect to memory of Hon. E. A. Dunlop, Hon. J. D. Monteith, P. J. Henry (Kent East), F. W. Elliott (Bruce North), and F. J. Skinner (Leeds)	Apr. 3, 1934
1935	Feb. 20, 1935	Apr. 2, 1935	.....	.....	Apr. 18, 1935



SUB-INDEX No. 2  
FINANCIAL STATEMENTS  
(As per Public Accounts)  
AS AT MARCH 31, 1935

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27—Special Funds . . . . .	112
28—Public Service Superannuation Fund . . . . .	113



## PROVINCE OF

## ASSETS AND LIABILITIES

Page  
No.

## Capital Assets

—	REALIZABLE OR INCOME PRODUCING:		
	DOMINION OF CANADA—		
	Subsidies—Capitalized at 5%.....	\$ 58,828,485	60
	Common School Fund (Ontario and Quebec)—		
	Ontario's share of Fund.....	1,456,097	33
	Quebec Turnpike Trust (Ontario and Quebec)...	3,262	50
		<u>\$ 60,287,845</u>	43
103	HYDRO-ELECTRIC POWER COMMISSION—		
	Advances (Net).....	187,877,835	30
—	TEMISKAMING AND NORTHERN ONTARIO RAILWAY—		
	Advances.....	37,207,934	92
112	AGRICULTURAL DEVELOPMENT FINANCE ACT—		
	Investments and Cash.....	50,551,089	99
103	LOANS TO MUNICIPALITIES.....	7,159,001	10
104	ACCOUNTS RECEIVABLE.....	1,394,447	54
—	SPECIAL FUNDS—Investments.....	10,000	00
		<u>\$344,488,154</u>	28
103	BUILDINGS, ROADS, ETC.....	298,232,545	04
104	DEFERRED ASSETS.....	1,393,602	11
105	DISCOUNT ON DEBENTURES—(Less proportion amortized).....	9,019,666	17
—	UNEMPLOYMENT RELIEF—Direct (Less amount written off).....	14,045,036	40
	TOTAL CAPITAL ASSETS.....	<u>\$667,179,004</u>	00

## Income Assets

104	ACCOUNTS RECEIVABLE.....	\$ 2,653,780	64
112	INTEREST RECEIVABLE (Past due and accrued)		
	AGRICULTURAL DEVELOPMENT FINANCE ACT—Invest-		
	ments.....	5,608,560	36
104	PLANT, LIVESTOCK, STORES AND EQUIPMENT.....	2,269,888	10
	TOTAL INCOME ASSETS.....	<u>10,532,229</u>	10

TOTAL ASSETS.....\$677,711,233 10

## ONTARIO

As at March 31st, 1935

Page No.	Capital Liabilities	
	FUNDED DEBT:	
107a	ONTARIO STOCK AND DEBENTURES.....	\$593,262,344 52
	Less—	
106	Sinking Funds.....	6,896,845 35
		<u>\$586,365,499 17</u>
107	ANNUITIES AND CERTIFICATES.....	825,843 29
		<u>\$587,191,342 46</u>
	UNFUNDED DEBT:	
112	DEMAND DEPOSITS WITH PROVINCE OF ONTARIO	
	SAVINGS OFFICES.....	\$ 22,326,489 50
107	TEMPORARY LOANS—TREASURY BILLS.....	49,900,000 00
107	BANK OVERDRAFT.....	1,883,594 88
112	SPECIAL FUNDS.....	3,701,577 26
—	MISCELLANEOUS.....	8,000 00
		<u>77,819,661 64</u>
	TOTAL CAPITAL LIABILITIES.....	<u>\$665,011,004 10</u>
	Income Liabilities	
	ACCOUNTS PAYABLE.....	\$ 709,029 02
	ACCRUED INTEREST ON FUNDED AND UNFUNDED DEBT...	8,665,883 86
		<u>9,374,912 88</u>
	TOTAL INCOME LIABILITIES.....	<u>9,374,912 88</u>
	TOTAL LIABILITIES.....	<u>\$674,385,916 98</u>
	BALANCE—EXCESS OF TOTAL ASSETS OVER TOTAL LIABILITIES.....	3,325,316 12
		<u><u>\$677,711,233 10</u></u>
111	CONTINGENT LIABILITIES:	
	BONDS, ETC., GUARANTEED BY THE PROVINCE:.....	<u>\$ 99,438,793 47</u>

**Statement  
REVENUE AND  
For the Five Months**

Page No.	State-ment No.	Departments	Ordinary	Capital	Total
		<b>Revenue</b>	<b>\$ c.</b>	<b>\$ c.</b>	<b>\$ c.</b>
10	2	Legislation.....	5,240 00		5,240 00
10	3	Prime Minister.....	7,924 23		7,924 23
10	4	Attorney-General.....	311,777 75		311,777 75
11	5	Insurance.....	22,651 40		22,651 40
11	6	Education.....	2,057 68		2,057 68
12	7	Lands and Forests.....	602,561 89	34,906 89	637,468 78
13	8	Northern Development.....		4,055 46	4,055 46
13	9	Mines.....	97,934 71	32,403 47	130,338 18
14	10	Game and Fisheries.....	258,348 04		258,348 04
14	11	Public Works.....	11,907 83	18,335 00	30,242 83
15	12	Highways.....	10,971,019 67	7,477 70	10,978,497 37
16	13	Health.....	18,953 39		18,953 39
16	14	Labour.....	8,224 27		8,224 27
17	15	Provincial Treasurer.....	8,466,373 76		8,466,373 76
21	16	Provincial Secretary.....	148,796 49		148,796 49
21	17	Agriculture.....	850 42		850 42
21	18	Interest.....	20,934,621 53	97,178 52	21,031,800 05
			114,322 53		114,322 53
			21,048,944 06	97,178 52	21,146,122 58

**RECAP**

**ORDINARY REVENUE**

Ordinary Expenditure as per contra.....  
Ordinary Revenue as above.....  
Excess of Ordinary Expenditure over Ordinary

**CONSOLIDATED**

**For the Five Months**

Page No.	Receipts	
	Revenue as above—	
	Ordinary.....	\$21,048,944 06
	Capital.....	97,178 52
		<hr/>
		\$21,146,122 58
98	Public Debt—	
	Proceeds of Bond and Treasury Bill Issues, etc..	\$53,564,087 04
97	Loan Repayments—Municipalities—	
	Hydro-Electric Power Commission, Agricul- tural Development Board, etc.....	5,285,170 71
97	Special Funds—Deposits—	
	Public Service Superannuation Fund, Muni- cipal Sinking Funds, etc.....	1,212,307 09
		<hr/>
		60,061,564 84
107	Balance due to Banks—March 31st, 1935.....	1,883,594 88

\$83,091,282 30

## No. 1

## EXPENDITURE

Ended March 31st, 1935

Page No.	Departments	Ordinary	Capital	Total
	<b>Expenditure</b>	<b>\$ c.</b>	<b>\$ c.</b>	<b>\$ c.</b>
A2	Lieutenant-Governor.....	2,160 69		2,160 69
B2	Legislation.....	220,499 30		220,499 30
C2	Prime Minister.....	88,421 83		88,421 83
D2	Attorney-General.....	953,317 99	120,000 00	1,073,317 99
E2	Insurance.....	31,105 84		31,105 84
F2	Education.....	3,429,631 44		3,429,631 44
G2	Lands and Forests.....	464,481 29	97,656 24	562,137 53
H2	Northern Development.....	616,837 08	9,558,973 36	10,175,810 44
I2	Mines.....	110,894 79		110,894 79
J2	Game and Fisheries.....	168,202 67		168,202 67
K2	Public Works.....	297,179 55	331,385 83	628,565 38
L2	Highways.....	2,037,322 83	1,915,354 33	3,952,677 16
M2	Health.....	3,055,582 99	39,567 29	3,095,150 28
N2	Labour.....	143,606 47		143,606 47
O2	Public Welfare.....	9,919,861 92		9,919,861 92
P2	Municipal Affairs.....	32,409 50		32,409 50
Q2	Provincial Treasurer.....	258,132 29		258,132 29
R2	Provincial Auditor.....	51,112 87		51,112 87
S2	Provincial Secretary.....	285,227 83		285,227 83
T2	Agriculture.....	690,618 76		690,618 76
U2	Miscellaneous.....	61,462 93	36,139 66	97,602 59
U7	Stationery Account (Excess of purchases over distribution during the year).....	2,091 99		2,091 99
Q5	Public Debt—Interest, Exchange, etc..	22,920,162 85 8,569,453 49	12,099,076 71	35,019,239 56 8,569,453 49
		31,489,616 34	12,099,076 71	43,588,693 05

## TULATION

## AND EXPENDITURE

.....\$ 31,489,616 34  
 .....21,048,944 06  
 Revenue for Five months to March 31st, 1935. \$ 10,440,672 28

## REVENUE FUND

Ended March 31st, 1935

Page No.	Disbursements	
	Expenditure as above—	
	Ordinary.....	\$ 31,489,616 34
	Capital.....	12,099,076 71
		<u>\$43,588,693 05</u>
98	Public Debt—	
	Bonds and Treasury Bills, etc., matured and paid...	\$30,217,597 50
97	Loan Advances—Municipalities—	
	Hydro-Electric Power Commission, Agricultural Development Board, etc.....	2,349,454 03
97	Special Funds—Repayments—	
	Public Service Superannuation Fund, Municipal Sinking Funds, etc.....	1,025,600 71
		<u>33,592,652 24</u>
	Balance due to Banks—November 1st, 1934.....	\$ 5,909,937 06
	Less—Sundry adjustments.....	05
		<u>5,909,937 01</u>
		<u>\$ 83,091,282 30</u>



## CAPITAL RECEIPTS AND PAYMENTS

For the Five Months ended March 31st, 1935

## Receipts

HIGHWAYS: Sale of Property.....	\$	7,477.70
LANDS AND FORESTS: Land Sales Collections—75% <sub>a</sub> .....	\$	21,353.96
Back to the Land Movement.....		13,495.93
Sale of Equipment.....		57.00
		<u>34,906.89</u>
MINES: Mining Land Sales.....		32,403.47
NORTHERN DEVELOPMENT: Assistance to Settlers—Repayments.....		4,055.46
PUBLIC WORKS: Sale of Property.....		18,335.00
	\$	<u>97,178.52</u>

## Payments

ATTORNEY-GENERAL:		
Bonuses—Rural Transmission Lines.....	\$	120,000.00
HEALTH:		
Radium Purchased for Cancer Control.....		39,567.29
HIGHWAYS:		
Highways Construction.....		1,915,354.33
LANDS AND FORESTS:		
Back to the Land Movement.....	\$	6,716.88
Forestry Act.....		3,942.52
Reforestation.....		54,142.42
Fire Ranging.....		8,806.72
Clearing Townsites.....		7,465.60
Surveys.....		16,582.10
		<u>97,656.24</u>
NORTHERN DEVELOPMENT:		
Unemployment Relief—		
Trans-Canada Highway.....	\$	1,814,581.96
Municipal and General Works.....		6,849,412.35
		<u>\$8,663,994.31</u>
Colonization Roads.....		108,960.20
Roads (Statutory).....		785,003.72
Assistance to Settlers.....		1,015.13
		<u>9,558,973.36</u>
PUBLIC WORKS:		
Public Buildings.....	\$	307,548.60
Public Works and Bridges.....		23,837.23
		<u>331,385.83</u>
MISCELLANEOUS:		
Workmen's Compensation—Unemployment Relief—		
Trans-Canada Highway.....	\$	10,539.30
Municipal and General Works.....		15,808.91
		<u>\$ 26,348.21</u>
Northern Development Roads.....		5,269.61
Colonization Roads.....		440.88
Provincial Lands and Buildings.....		4,080.96
		<u>36,139.66</u>
		<u>\$12,099,076.71</u>

## LOANS TO MUNICIPALITIES, ETC.

## Receipts and Payments for the Five Months ended March 31st, 1935

	Receipts	Payments
<b>ATTORNEY-GENERAL:</b>		
H.E.P.C.—Advances.....	\$ 247,507.98	\$ 296,100.00
Rural Power Districts—Domestic Loans.....	7,894.12	25,000.00
Operating Account re Northern Ontario Properties.....		172,080.42
<b>EDUCATION:</b>		
Municipal Debentures.....		130.78
<b>NORTHERN DEVELOPMENT:</b>		
Unemployment Relief—Due from Dominion Government....	1,089,464.18	72,272.43
Settlers' Loans.....	17,614.46	16,100.00
<b>PUBLIC WORKS:</b>		
Athletic Commission—Building Loan.....	1,000.00	
<b>PUBLIC WELFARE:</b>		
Unemployment Relief—Due from Dominion Government, etc.	1,890,481.63	153,956.11
Mothers' Allowances—Due from Municipalities.....	169,255.50	204,718.55
Old Age Pensions—Due from Dominion Government, etc....	1,433,507.80	888,040.58
<b>MUNICIPAL AFFAIRS:</b>		
Housing Loans.....	93,947.03	
<b>TREASURY:</b>		
Tile Drainage Debentures.....	87,371.70	35,900.00
Agricultural Development Board Debentures.....	200,000.00	200,000.00
Farm Loan Associations.....	7,385.42	
Municipal Drainage Debentures.....	18,322.46	
Guaranteed Debentures Redeemed.....		260,717.99
<b>AGRICULTURE:</b>		
Crown Savings and Loan Company—re Farm Mortgage.....		15,000.00
Co-operative Marketing Loans.....	1,713.12	
<b>MISCELLANEOUS:</b>		
Accountable Advances—Various Departments.....	19,705.31	9,437.17
	<u>\$5,285,170.71</u>	<u>\$2,349,454.03</u>

## SPECIAL FUNDS

## Receipts and Payments for the Five Months ended March 31st, 1935

	Receipts	Payments
<b>PRIME MINISTER:</b>		
Ontario Public Service Superannuation Fund.....	\$ 203,178.16	\$ 504,667.00
<b>PUBLIC WELFARE:</b>		
Rotary Club Gymnasium Fund—Training School for Boys—Bowmanville.....	230.00	
<b>TREASURY:</b>		
Municipal Sinking Funds.....	90,154.77	34,996.21
Registry Offices—Surplus Fees.....	4,606.38	4,405.74
Toronto Registry Office—Assurance Fund.....	266.92	
Highways' Improvement Fund—Unclaimed Cheques.....	718.75	
Niagara Parks Commission—Sinking Fund.....	117,556.97	
<b>AGRICULTURE:</b>		
Cash Surety Bonds—Milk Control Board.....	3,040.54	
<b>PUBLIC DEBT:</b>		
Sinking Fund.....	481,531.76	481,531.76
Discount on Debentures, etc.....	311,022.84	
	<u>\$1,212,307.09</u>	<u>\$1,025,600.71</u>



## PROVINCIAL DEBT

## Statement Showing Investment Thereof as at March 31st, 1935

## FUNDED DEBT:

Stock and Debentures Outstanding .....	\$593,262,344	52
Certificates and Annuities .....	825,843	29
	<u>\$594,088,187</u>	<u>81</u>
Deduct—Sinking Fund Investments .....	6,896,845	35
Total Funded Debt .....	<u>\$587,191,342</u>	<u>46</u>

## UNFUNDED DEBT:

Treasury Bills .....	\$ 49,900,000	00
Savings Office Deposits .....	22,326,489	50
Special Funds, Accounts Payable and Accrued Interest .....	13,084,490	14
Bank Overdrafts .....	1,883,594	88
	<u>87,194,574</u>	<u>52</u>
Gross Debt .....	<u>\$674,385,916</u>	<u>98</u>

## INVESTMENT THEREOF:

Revenue Producing and Realizable Assets—		
Hydro-Electric Power Commission—Advances .....	\$187,877,835	30
Temiskaming and Northern Ontario Railway—		
Advances .....	37,207,934	92
Farm, Housing and Settlers' Loans .....	63,328,651	45
Accounts Receivable .....	\$ 4,048,228	18
King's Highways—Construction—		
Cities and Counties .....	3,508,760	48
	<u>7,556,988</u>	<u>66</u>
	<u>\$295,971,410</u>	<u>33</u>
Revenue Producing but not Realizable Assets—		
Roads and Highways .....	\$211,119,284	15
Less—Due by Cities and Counties ..	3,508,760	48
	<u>\$207,610,523</u>	<u>67</u>
Niagara Parks .....	1,279,579	79
Common School Fund—Trust Fund: Ontario and Quebec	1,459,359	83
	<u>210,349,463</u>	<u>29</u>
Total Revenue Producing Assets .....	<u>\$506,320,873</u>	<u>62</u>
Non-Revenue Producing Assets—		
Provincial Buildings and Public Works .....	\$ 85,833,681	10
Plant, Stores and Equipment .....	2,269,888	10
Deferred Assets .....	1,393,602	11
	<u>89,497,171</u>	<u>31</u>
Other Assets—		
Capital Value of Annual Subsidy .....	\$ 58,828,485	60
Unemployment Relief—Direct (less amount written off)	14,045,036	40
Discount on Debentures, etc. (less amount written off).	9,019,666	17
	<u>81,893,188</u>	<u>17</u>
Total Assets .....	<u>\$677,711,233</u>	<u>10</u>
Excess of Assets over Liabilities .....	<u>\$ 3,325,316</u>	<u>12</u>



## GROSS PROVINCIAL DEBT

## Statement Showing Increase

For the Five Months Ended March 31st, 1935

	1934		1935		Increase	
	\$	c.	\$	c.	\$	c.
FUNDED DEBT—						
Stocks, Debentures, Certificates and						
Annuities.....	594,038,788	49	587,191,342	46	6,847,446	03
UNFUNDED DEBT.....	61,722,064	21	87,194,574	52	25,472,510	31
Gross debt.....	655,760,852	70	674,385,916	98	18,625,064	28

## INCREASE IN GROSS DEBT ACCOUNTED FOR THUS—

## CAPITAL EXPENDITURES—

Expenditures on Highways, Northern Development, Public Buildings and Works, etc.....	\$ 5,186,556	15
Unemployment Relief—		
Municipal and Public Works.....	6,865,221	26

\$ 12,051,777 41

79,627 13

Less—Capital Revenue.....			\$ 11,972,150	28
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HYDRO-ELECTRIC POWER COMMISSION—Advances.....	48,592	02
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## AGRICULTURAL DEVELOPMENT FINANCE ACT—

Investments—Increase.....	114,914	67
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MISCELLANEOUS—Increase .....	21,214	72
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DEFERRED ASSETS—Increase .....	659,198	33
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DISCOUNT ON DEBENTURES, ETC., ISSUED (five months to March 31st, 1935).....	72,247	50
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DEFICIT IN ORDINARY REVENUE (five months to March 31st, 1935).....	10,440,672	28
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23,328,989 80

## Deduct:

## PENSIONS, MOTHERS' ALLOWANCES AND UNEMPLOYMENT

RELIEF—Due to Province.....	\$ 3,263,721	44
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LOANS TO MUNICIPALITIES, ETC.—Decrease.....	363,867	03
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SINKING FUNDS—Earnings and Instalments.....	481,531	76
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DISCOUNT ON DEBENTURES ETC., WRITTEN OFF.....	311,022	84
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RAILWAY AID CERTIFICATES WRITTEN OFF .....	55,564	27
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\$ 4,475,707 34

## BOOK ENTRIES—

## Add—

Decrease in accrued liabilities at March 31st, 1935, included in Unfunded Debt—		
Accrued interest on Public Debt, Special Funds, etc.	228,218	18

4,703,925 52

\$ 18,625,064 28

## NET PROVINCIAL DEBT

## Statement Showing Increase

For the Five Month Ended March 31st, 1935

	1934		1935		Increase	
	\$	c.	\$	c.	\$	c.
GROSS DEBT.....	655,760,852	70	674,385,916	98	18,625,064	28
REVENUE PRODUCING AND REALIZABLE ASSETS	297,284,140	76	295,971,410	33	1,312,730	43
Net Debt.....	358,476,711	94	378,414,506	65	19,937,794	71

## INCREASE IN NET DEBT ACCOUNTED FOR THUS:

## NET CAPITAL EXPENDITURE—

Highways, Northern Development, Public Buildings and Works,  
Unemployment Relief, etc..... \$ 11,972,150 28

## GUARANTEES REDEEMED—DEBENTURES, ETC.

Paid by Province—Repayments deferred..... 430,194 19

RADIUM STOCK PURCHASED..... 39,567 29

DEFICIT IN ORDINARY REVENUE FOR 1935..... 10,440,672 28

\$ 22,882,584 04

## Add:

Accounts Receivable, 1934, carried to Non-Revenue Producing Assets  
during the current year..... 229,004 14

\$ 23,111,588 18

## Deduct:

Sinking Funds—Earnings and instalments..... \$ 481,531 76

Railway Aid Certificates written off..... 55,564 27

Discount written off for five months' period ended  
March 31st, 1935..... 238,775 34

Book Entries—

Accrued Liabilities—Decrease.. \$ 228,218 18

“ Accounts Receivable—  
Increase..... 2,169,703 92

2,397,922 10

3,173,793 47

\$ 19,937,794 71

**Note**—Net Debt represents indebtedness incurred in respect of expenditure on projects of a non-realizable nature, viz: Highways, Buildings, Public Works, etc. It is further increased by items of the nature of Discount on Debentures, Deficits of Ordinary Revenue, etc.

## STATEMENT SHOWING SOURCES OF ORDINARY REVENUE

For the Five Months Ended March 31st, 1935

## DOMINION GOVERNMENT—

Annual Subsidy.....	\$1,470,712 14	
Interest—Common School Fund.....	36,402 43	
		\$1,507,114 57

REVENUE DERIVED FROM INDIVIDUALS AND CORPORATIONS  
RECEIVING THE BENEFIT OF PROVINCIAL SERVICES, SPECIAL  
PRIVILEGES OR THE USE OF NATURAL RESOURCES AND  
PROPERTIES AND PROFITS FROM TRADING, ETC.:

Taxation.....	\$9,127,208 87	
Gasoline, Mines, Lands, Corporations, Race Tracks (betting), Amusements, Stock Transfers, Succession Duties and Wine.		

Royalties, Duties and Dues.....	406,652 37	
Bonus and Timber, Sand and Gravel, Game and Fish.		

Licenses and Permits.....	6,611,261 69	
Motor Vehicles, Liquor Permits, Hunting and Fishing, Insurance, Loan and Trust Companies, Mines, Theatres, etc.		

Fees.....	806,697 09	
Local Registrars, Police Magistrates, Crown Attorneys, etc.; Mine Recording, Companies and Brokers' Registration, etc.; Land Transfers, Motor Vehicle Transfers, etc.		

Fines and Penalties.....	26,012 80	
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Profits from Trading Activities.....	2,290,000 00	
Liquor Control Board—Profits, Fines, Sale of Confiscated Liquor, etc.		

Interest on Drainage and Sundry Loans.....	82,756 41	
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Agriculture and Public Domain.....	140,086 57	
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Miscellaneous.....	51,153 69	
ONTARIO GAZETTE, sale of Government Publications, and Casual Revenue.		

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19,541,829 49

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\$21,048,944 06

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**HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO****Advances by the Province to March 31st, 1935**

Advanced on Capital Account to October 31st, 1934 .....	\$207,250,258	34
Advances for Five months to March 31st, 1935 .....	296,100	00
Deduct:		
Refund of Capital Advances not required .....	\$207,546,358	34
	247,507	98
Total Advances to date .....	\$207,298,850	36
Repayments from Sinking Fund in accordance with Debt Retirement Plan .....	19,421,015	06
Net Advances to March 31st, 1935 .....	<u>\$187,877,835</u>	<u>30</u>

Note—Province of Ontario Bonds of the Par Value of \$2,401,000, have been deposited with the Treasurer of Ontario by the Hydro-Electric Power Commission as collateral security for the repayment of Advances.

**LOANS TO MUNICIPALITIES, ETC.****As at March 31st, 1935**

Drainage Debentures—		
Tile .....	\$ 2,055,122	83
Municipal .....	179,167	69
	\$ 2,234,290	52
Housing Loans .....	3,637,018	16
	\$ 5,871,308	68
Settlers' Loans .....	791,877	80
Municipal Debentures—		
Village of Eganville .....	4,490	19
Rural Power Districts—Domestic Loans .....	86,509	67
Soldiers' Aid Commission .....	22,191	62
J. Brillou—Mortgage .....	5,133	45
Co-operative Marketing Loans .....	377,489	69
	<u>\$ 7,159,001</u>	<u>10</u>

**BUILDINGS, ROADS, ETC.****As at March 31st, 1935**

Provincial Buildings and Lands .....	\$ 51,863,340	87
Improvements to Highways, 1919-1935 .....	152,437,720	37
Northern Development—Roads and Farms, 1919-1935 .....	41,639,636	37
Colonization Roads—1919-1935 .....	4,418,159	73
Trans-Canada Highways, 1930-1935 .....	12,623,767	68
Niagara Parks Commission—Surplus of Assets .....	1,279,579	79
General Works and Improvements .....	520,697	92
Hydro Power Plant—Monteith .....	27,061	10
Rural Power Transmission Lines—Bonus, 1927-1935 .....	7,428,243	00
Unemployment Relief—Municipal and General Relief Works .....	25,994,338	21
	<u>\$ 298,232,545</u>	<u>04</u>



## ACCOUNTS RECEIVABLE

As at March 31st, 1935

## CAPITAL ACCOUNT—

Unemployment Relief—Dominion of Canada, et al.....	\$ 251,395 93
Old Age Pensions—Dominion of Canada and Other Municipalities.....	888,040 58
Back to the Land Movement—Dominion of Canada.....	29,365 11
Mothers' Allowances—Municipalities.....	204,718 55
Accountable Advances—Various Departments.....	10,676 68
Ontario Athletic Commission.....	5,000 00
Returned Cheques Held for Collection.....	2,485 69
Byron Telephone Company—Capital Stock.....	30 00
Debenture Guarantees—City of Sudbury—Housing Debentures.....	2,735 00
	<u>\$ 1,394,447 54</u>

## INCOME ACCOUNT—

Provincial Treasurer—Corporation Tax, Succession Duties, etc.....	\$ 1,357,443 23
Northern Development—Aid to Settlers—Notes and Interest.....	420,768 12
Lands and Forests—Crown Land Sales and Interest, etc.....	83,585 87
Highways—Municipalities, Maintenance of Highways, etc.....	478,985 27
Hospitals and Institutions—Maintenance of Patients, etc.....	200,148 59
Mines—Acreage Taxes, Rentals and Royalties.....	45,096 63
Provincial Secretary—Filing Fees, etc.....	25,000 00
Various Departments—Miscellaneous.....	13,860 24
Labour—Federal Government Subventions.....	28,892 69
	<u>\$ 2 653,780 64</u>

## PLANT, LIVESTOCK, STORES AND EQUIPMENT

As at March 31st, 1935

Lands and Forests Department.....	\$ 1,148,549 00
Health—Ontario Hospitals.....	459,890 91
Public Health.....	25,000 00
Radium for Cancer Control.....	159,353 10
Provincial Secretary—Ontario Reformatories.....	369,160 23
Agriculture.....	68,323 14
King's Printer—Stationery Stock.....	24,290 77
Education Department.....	9,389 95
Public Welfare.....	5,931 00
	<u>\$ 2,269,888 10</u>

## DEFERRED ASSETS

As at March 31st, 1935

## Debenture and Interest payments made under Debenture Guarantee Act

## Local Improvements—

Town of Matheson.....	\$ 62,400 00
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## Housing Loans—

City of Windsor.....	\$ 170,157 49
" East Windsor.....	96,128 43
Town of Riverside.....	56,411 72
" Niagara Falls.....	4,022 86
" Walkerville.....	28,909 77
	<u>355,630 27</u>

## Education—

Town of Cobalt—High School.....	\$ 6,830 40
Township of Calvert (U.S.S. No. 3).....	3,488 72
Robillard and Truax Union School Board.....	1,971 34
	<u>12,290 46</u>

## Promissory Notes Paid—

Ottawa Separate Schools Commission.....	53,902 23
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## Hydro-Electric Power Commission—

Operating Deficit—Northern Ontario Properties.....	\$ 466,003 10
Rural Power Districts—Service Charge.....	229,004 14
Sandwich, Windsor and Amherstburg Railway Co.....	163,710 00
	<u>858,717 24</u>

## Municipal Debentures—Purchased under The Municipal Act—

Town of Cochrane.....	\$ 33,514 06
Township of Whitney.....	17,147 85
	<u>50,661 91</u>

\$ 1,393,602 11

## DISCOUNT ON DEBENTURES, 1926-1935

				Balance October 31st, 1934		Charged off five months ending March 31st, 1935		Balance March 31st, 1935	
Debenture Issues:				\$	c.	\$	c.	\$	c.
Series	"AJ"	30 years—due	1928/56.....	486,904	00	9,221	65	477,682	35
"	"AK"	30	" 1928/57.....	127,329	84	2,306	70	125,023	14
"	"AL"	40	" 1928/68.....	1,477,623	00	18,742	10	1,458,880	90
"	"AM"	30	" 1959.....	242,958	27	4,131	93	238,826	34
"	"AP"	40	" 1930/70.....	1,482,447	50	17,977	05	1,464,470	45
"	"AR"	40	" 1971.....	332,791	20	3,851	75	328,939	45
"	"AS"	40	" 1971.....	1,590,487	50	18,156	25	1,572,331	25
"	"AT"	15	" 1947.....	938,166	60	31,944	40	906,222	20
"	"ZA-AT"	15	" 1947.....	81,666	68	2,777	75	78,888	93
"	"AU"	3	" 1935.....	4,166	66	4,166	66	.....	.....
"	"AV"	25	" 1957.....	203,584	26	3,766	05	199,818	21
"	"AW"	14	" 1946.....	666,666	65	23,809	50	642,857	15
"	"AX"	1-5	" 1934/38.....	76,111	08	23,880	05	52,231	03
"	"AY"	17	" 1950.....	275,000	01	7,352	94	267,647	07
"	"BA"	3	" 1937.....	187,499	88	34,722	20	152,777	68
"	"BB"	6	" 1940.....	21,874	86	1,736	10	20,138	76
"	"BC"	15	" 1949.....	569,999	43	16,666	65	553,332	78
"	"BD"	1-5	" 1935/39.....	428,125	00	71,562	50	356,562	50
				9,193,402	42	296,772	23	8,896,630	19
Premium received on Debenture Issues:									
Series	"AN"	31 years—due	1960 (part).....	237,591	45	3,822	75	233,768	70
				8,955,810	97	292,949	48	8,662,861	49
Premiums paid on Debentures purchased for Debt									
Redemption and Sinking Funds.....				302,630	54	18,073	36	356,804	68
				9,258,441	51	311,022	84	9,019,666	17

## SINKING FUNDS—INVESTMENTS

As at March 31st, 1935

3½% Registered Stock, due January 1st, 1946—£422,549:4:10:			
Ontario Registered 3½% Stock, 1946.	Par Value.....	\$	623,778 92
“ “ 4% “ 1947, “ “	“ “ .....		194,556 96
“ “ 4½% “ 1945/65 “ “	“ “ .....		152,946 58
Ontario Debentures 4½%, Series “AV,” 1957.	Par Value..		279,833 33
British 3½% War Loan Stock, 1952, £30,075:8:5, at cost..			149,649 29
Commonwealth of Australia, 5% Stock, 1945/1975—			
£4,637:6:10 at cost.....			24,191 98
			<u>\$1,424,957 06</u>
4% Registered Stock due May 1st, 1947—£317,912:16:4:			
Ontario Registered 3½% Stock, 1946.	Par Value.....	\$	251,754 13
“ “ 4% “ 1947 “ “	“ “ .....		460,200 50
“ “ 4½% “ 1945/65 “ “	“ “ .....		191,506 75
Ontario Debentures 4½%, Series “AV,” 1957.	Par Value..		94,900 00
British 3½% War Loan Stock, 1952—£27,355:13:7 at cost..			135,824 00
Commonwealth of Australia, 5% Stock, 1945/1975—			
£28,527:12:8 at cost.....			136,300 71
			<u>1,270,486 09</u>
4½% Registered Stock due January 1st, 1945/65—£171,454:12:8:			
Ontario Registered 3½% Stock, 1946.	Par Value.....	\$	61,810 59
“ “ 4% “ 1947. “ “	“ “ .....		109,438 98
“ “ 4½% “ 1945/65 “ “	“ “ .....		114,328 23
Ontario Debentures 4½%, Series “AV,” 1957.	Par Value..		14,600 00
British 3½% War Loan Stock, 1952—£10,093:5:5 at cost..			50,237 38
Commonwealth of Australia, 5% Stock, 1945/75—			
£14,510:12:6 at cost.....			69,350 17
			<u>419,765 35</u>
Debenture Loan—Series “AV” due June 1st, 1957—£330,000:0:0:			
British 3½% War Loan Stock, 1952—£3,393:8:1 at cost.....			16,636 85
Debenture Loan—Series “AM” due May 1st, 1959—\$35,000,000:			
Ontario Debentures Series “TT” 1936.	Par Value....	\$	1,000 00
“ “ “ “AD” 1942 “ “	“ “ ....		27,000 00
“ “ “ “UU&XX” 1943 “ “	“ “ ....		313,000 00
“ “ “ “WW&YY” 1943 “ “	“ “ ....		120,500 00
“ “ “ “AW” 1946 “ “	“ “ ....		287,500 00
“ “ “ “AT” 1947 “ “	“ “ ....		171,000 00
“ “ “ “AF” 1948 “ “	“ “ ....		307,000 00
“ “ “ “AY” 1950 “ “	“ “ ....		25,000 00
“ “ “ “AB” 1952 “ “	“ “ ....		41,000 00
“ “ “ “AM” 1959 “ “	“ “ ....		612,000 00
			<u>1,905,000 00</u>
Debenture Loan, Series “AN” due December 2nd, 1960, \$35,000,000:			
Ontario Debentures Series “AC” 1942.	Par Value....	\$	45,000 00
“ “ “ “UU&XX” 1943 “ “	“ “ ....		72,000 00
“ “ “ “WW&YY” 1943. “ “	“ “ ....		99,500 00
“ “ “ “AG” 1944 “ “	“ “ ....		90,000 00
“ “ “ “AW” 1946 “ “	“ “ ....		111,600 00
“ “ “ “AT” 1947 “ “	“ “ ....		232,000 00
“ “ “ “AF” 1948 “ “	“ “ ....		173,500 00
“ “ “ “AY” 1950 “ “	“ “ ....		19,400 00
“ “ “ “AB” 1952. “ “	“ “ ....		116,000 00
“ “ “ “AM” 1959. “ “	“ “ ....		211,000 00
“ “ “ “AN” 1960 “ “	“ “ ....		690,000 00
			<u>1,860,000 00</u>
			<u><u>\$6,896,845 35</u></u>







# ANNUITIES As at March 31st, 1935

Year	ANNUITIES			
	Railway Aid Certificates	Annuities	University of Toronto	TOTAL
	\$ c.	\$ c.	\$ c.	\$ c.
1935.....	55,564 27	24,700 00	30,000 00	110,264 27
1936.....	105,090 01	16,700 00	.....	121,790 01
1937.....	94,459 80	9,200 00	.....	103,659 80
1938.....	90,961 80	2,850 00	.....	93,811 80
1939.....	86,122 35	.....	.....	86,122 35
1940.....	82,239 02	.....	.....	82,239 02
1941.....	67,943 75	.....	.....	67,943 75
1942.....	31,818 40	.....	.....	31,818 40
1943.....	24,920 51	.....	.....	24,920 51
1944.....	22,695 08	.....	.....	22,695 08
1945.....	18,251 86	.....	.....	18,251 86
1946.....	18,251 86	.....	.....	18,251 86
1947.....	18,251 86	.....	.....	18,251 86
1948.....	18,251 86	.....	.....	18,251 86
1949.....	6,871 26	.....	.....	6,871 26
1950.....	699 60	.....	.....	699 60
	742,393 29	53,450 00	30,000 00	825,843 29

## Maturities—

Railway Aid Certificates.....1st January and July.  
 Annuities.....30th June and 31st December.  
 University of Toronto.....30th June.

## TEMPORARY LOANS—TREASURY BILLS As at March 31st, 1935

Date of Maturity	Date of Issue	Rate %	Series	Amount Outstanding	Where Payable
Feb. 2, 1932/36	Feb. 2, 1931	5	"BG"	\$ 800,000 00	Canada
On Demand	Oct. 31, 1934	2½	"CJ"	100,000 00	"
May 1, 1935	Nov. 1, 1934	3	"DJ"	10,000,000 00	"
Sept. 12, 1936	Sept. 12, 1934	3	"DN"	10,000,000 00	"
Dec. 1, 1935	Dec. 1, 1934	2⅞	"DP"	7,000,000 00	"
Jan. 31, 1937	Jan. 31, 1935	2¼	"DR"	10,000,000 00	"
Feb. 15, 1937	Feb. 15, 1935	2¼	"DR"	10,000,000 00	"
Oct. 15, 1935	Jan. 15, 1935	2½	"HY"	2,000,000 00	"
				\$49,900,000 00	

## BANK OVERDRAFT As at March 31st, 1935

DUE TO BANKS—		
Commerce.....	\$	1,018,880 22
Nova Scotia.....		1,263,757 78
	\$	2,282,638 00
LESS—CASH IN BANKS—		
Dominion.....	\$	27,659 68
Home (in liquidation).....		250,000 00
Imperial.....		8,367 42
Montreal.....		37,064 60
Royal.....		71,189 90
Toronto.....		4,761 52
		399,043 12
	\$	1,883,594 88

## PROVINCE OF ONTARIO

**Indirect Liabilities and Guarantees of the Province of Ontario  
As at March 31st, 1935**

## (1) Temiskaming and Northern Ontario Railway Commission.

Guaranteed by the Province of Ontario, under authority  
17 Geo. V, cap. 16. Bonds of above Commission, due 1st  
February, 1939, to 1st February, 1968, 4 per cent. .... \$6,000,000 00

## (2) Niagara Parks Commission.

Guaranteed by the Province of Ontario, under authority  
17 Geo. V, cap. 24. Bonds of above Commission, due 1st  
December, 1928, to 1st December, 1947, 4 per cent.  
Outstanding. .... \$1,468,000 00

Guaranteed by the Province under authority Order-in-  
Council, July 26th, 1932. Bonds of above Commission,  
due August 1st, 1947, 5½ per cent. .... 300,000 00

Guaranteed by the Province of Ontario, under authority  
17 Geo. V, Cap. 24. Bonds of above Commission, due 15th  
October, 1937, 4½ per cent. .... 200,000 00  
1,968,000 00

## (3) University of Toronto.

Guaranteed by the Province of Ontario, under authority  
Order-in-Council, 15th July, 1908, and 16th June, 1909.  
Annuity Debentures of above University, payable 15th  
July, 1910, to 15th July, 1949, 40 years, \$378,900.00 out-  
standing.

Present value for 15 years at 4 per cent. .... \$280,850 47

Guaranteed by the Province of Ontario, under authority  
Order-in-Council, 7th April, 1911. Annuity Debentures  
of above University, payable 1st January, 1912, to 1st  
January, 1951, 40 years, \$111,656.00 outstanding.

Present value for 17 years at 4 per cent. .... 76,532 28

Guaranteed by the Province of Ontario, under authority  
Order-in-Council, 15th May, 1912. Annuity Debentures  
of above University, payable 1st January, 1912, to 1st January,  
1951, 40 years, \$257,669.00 outstanding.

Present value for 17 years at 4 per cent. .... 176,613 84

Guaranteed by the Province of Ontario, under authority  
Order-in-Council, April 14th, 1915. Annuity Debentures  
of above University, payable April 15th, 1916, to April 15th,  
1955, 40 years, \$125,475.00 outstanding.

Present value for 21 years at 4½ per cent. .... 80,093 23

Guaranteed by the Province of Ontario, under authority  
Order-in-Council, June 17th, 1924. Annuity Debentures  
of above University, payable July 15th, 1925, to July 15th,  
1944, 20 years, \$100,000.00 outstanding.

Present value for 10 years at 5 per cent. .... 77,217 35

Guaranteed by the Province of Ontario, under authority  
Order-in-Council, November 15th, 1928. Annuity Deben-  
tures of above University, payable January 15th, 1930, to  
January 15th, 1949, 20 years, \$962,895.00 outstanding.

Present value for 15 years at 5 per cent. .... 635,423 46  
1,326,730 63

## (4) University of Western Ontario (London).

Guaranteed by the Province of Ontario, under authority  
Order-in-Council, November 29th, 1928. Debentures of  
above University payable July 2nd, 1929, to July 2nd, 1958,  
30 years, \$440,000.00, 4½ per cent.

Amount outstanding. .... 393,000 00

Carried forward. .... \$ 9,687,730 63

## Indirect Liabilities and Guarantees of the Province of Ontario—Continued

	Brought forward...	\$ 9,687,730 63	
(5) Town of Bruce Mines.			
R.S.O. 1914, cap. 266.			
January 1st, 1918, to January 1st, 1947, 6 per cent., outstanding.....		15,226 94	
(6) Town of Capreol.			
10-11 Geo. V, cap. 7.			
December 1st, 1922, to December 1st, 1939, 6 per cent., outstanding.....		2,937 95	
(7) Town of Cochrane.			
7 Geo. V, cap. 9.			
May 1st, 1918, to May 1st, 1947, 5 per cent., outstanding..	\$ 24,442 61		
14 Geo. V, cap. 3.			
July 2nd, 1925, to July 2nd, 1944, 5½ per cent., outstanding	25,229 72		
July 2nd, 1924, to July 2nd, 1943, 5½ per cent., outstanding	63,993 08		
		<u>113,665 41</u>	
(8) Town of Englehart.			
15 Geo. V, cap. 4.			
Dec. 31st, 1924, to Dec. 31st, 1943, 6 per cent., outstanding	\$ 3,375 00		
Dec. 31st, 1924, to Dec. 31st, 1943, 6 per cent., outstanding	6,750 00		
Dec. 31st, 1925, to Dec. 31st, 1944, 6 per cent., outstanding	1,900 00		
		<u>12,025 00</u>	
(9) Town of Haileybury.			
14 Geo. V, cap. 3.			
April 1st, 1925, to April 1st, 1944, 6 per cent., outstanding	\$ 12,833 72		
April 15th, 1925, to April 15th, 1944, 6 per cent., outstanding	1,106 43		
July 15th, 1924, to July 15th, 1943, 6 per cent., outstanding	8,895 05		
April 15th, 1925, to April 15th, 1944, 6 per cent., outstanding	1,509 64		
		<u>24,344 84</u>	
(10) Town of Kapuskasing.			
14 Geo. V, cap. 3.			
Aug. 1st, 1926, to Aug. 1st, 1945, 6 per cent., outstanding	\$ 55,009 10		
Jan. 1st, 1928, to Jan. 1st, 1947, 6 per cent., outstanding	14,618 83		
		<u>69,627 93</u>	
(11) Town of Matheson.			
7 Geo. V, cap. 9.			
June 1st, 1923, to June 1st, 1937, 6 per cent., outstanding..	\$ 1,376 10		
9 Geo. V, cap. 4.			
April 1st, 1920, to April 1st, 1949, 6 per cent., outstanding..	22,226 63		
May 6th, 1924, to May 6th, 1948, 6 per cent., outstanding..	27,010 80		
		<u>50,613 53</u>	
(12) Presqu'île Park Commission.			
13-14 Geo. V, cap. 6.			
Payable May 1st, 1943, 6 per cent.....		20,000 00	
(13) Town of Timmins.			
14 Geo. V, cap. 3 and 15 Geo. V, cap. 3.			
April 1st, 1926, to April 1st, 1940, 5½ per cent., outstanding	\$ 63,703 39		
April 1st, 1926, to April 1st, 1940, 5½ per cent., outstanding	35 833 16		
		<u>99,536 55</u>	
(14) Board Trustees, R.C. Sep. School, Town of Timmins.			
7 Geo. V, cap. 27.			
Dec. 1st, 1918, to Dec. 1st, 1937, 5 per cent., outstanding	\$ 6,555 62		
9 Geo. V, cap. 4.			
Nov. 1st, 1919, to Nov. 1st, 1938, 6 per cent., outstanding	4,531 46		
		<u>11,087 08</u>	
(15) Town of Sturgeon Falls.			
22 Geo. V, Cap. 53.			
March 1st, 1933, to March 1st, 1962, 6 per cent., outstanding	\$ 43,187 90		
March 1st, 1933, to March 1st, 1952, 6 per cent., outstanding	10,961 46		
		<u>54,149 36</u>	
(16) City of Sudbury.			
Order-in-Council, 30th March, 1933.			
July 1st, 1934, to July 1st, 1943, 5½ per cent., outstanding.....		66,627 22	
		<u>Carried forward.....</u>	<u>\$10,227,572 44</u>



## Indirect Liabilities and Guarantees of the Province of Ontario—Continued

Brought forward.....\$ 10,227,572 44

(17) Sudbury Producers and Consumers Co-operative Dairy, Ltd. Order-in-Council, 20th February 1934.	
Advances to above Dairy by Royal Bank of Canada.....	2,400 00
(18) Ontario Tobacco Sales Co-operative Association, Ltd. Order-in-Council, 8th May, 1934.	
Advances to above Association by the Canadian Bank of Commerce.....	55,506 00
(19) First Co-operative Packers of Ontario, Ltd. Order-in-Council, 29th November, 1934, and 2nd March, 1935.	
Advances to above Association by the Bank of Nova Scotia.....	39,000 00
(20) Guarantees under the authority of the Municipal Housing Act, 1920.	
Beaverton.....	\$ 3,000 97
Cochrane.....	40,604 88
East Windsor.....	179,352 87
Kitchener.....	57,876 49
Listowel.....	29,154 21
London.....	146,009 25
Niagara Falls.....	40,105 26
Oshawa.....	116,351 03
Point Edward.....	24,340 25
Riverside.....	110,133 44
Sarnia.....	74,485 02
Sioux Lookout.....	14,824 80
Stamford Township.....	50,838 50
Sudbury.....	67,205 50
Tilbury.....	24,046 32
Walkerville.....	54,509 83
Windsor.....	451,621 67
	1,484,460 29
(21) Guarantees by the Province of Ontario, under authority of section 7 of the Department of Education Act and Amendments.....	
	2,960,793 07
(22) Sandwich, Windsor and Amherstburg Railway Company. Guaranteed by the Province of Ontario, under authority Order-in-Council, 20th June, 1933.	
10 years, 4½ per cent. debentures of above Company due June 1st, 1943.....	1,000,000 00
(23) Hydro-Electric Power Commission of Ontario.	
Debentures issued by Commission:	
Re Ontario Power Service Corporation.	
20 years, debentures due October 1st, 1952, bearing interest at the rate of 3½ per cent. in the first five years, 4 per cent. in the next five years and 5 per cent. in the last ten years	
Issued in purchase of bonds of Corporation due 1950.	\$17,626,950 00
Re Dominion Power and Transmission Co., Ltd.	
40 years, 4¾ per cent. debentures due January 1st, 1970.....	13,000,000 00
8 years, 3½ per cent. debentures due January 1st, 1943 (in part).....	8,000,000 00
Re Ontario Power Company of Niagara Falls.	
40 years, 4 per cent. debentures due August 1st, 1957.....	8,000,000 00
Issued in purchase of Capital Stock.	
20 years, 6 per cent. debentures due June 24th, 1941.....	3,200,000 00
Issued to retire debentures of Company due 1921.	
Re Toronto Power Company, Limited.	
20 years, 6 per cent. debentures due Dec. 1st, 1940 (part)...	413,200 00
Issued in purchase of Capital Stock.	
15 years, 5 per cent. debentures, due June 15th, 1939.....	4,000,000 00
Issued to retire debentures of Company due 1924.	
5 years, 4½ per cent. debentures due February 1st, 1938..	9,000,000 00
Issued to retire guaranteed debenture stock of Company due 1941.	

Carried forward.....\$15,769,731 80

## Indirect Liabilities and Guarantees of the Province of Ontario—Continued

Brought forward....\$15,769,731 80

## (23) Hydro-Electric Power Commission of Ontario—(Continued).

## Re Essex System.

40 years, 4 per cent. debentures, due June 1st, 1958..... \$200,000 00  
 Issued in purchase of distribution lines.

## Re Thorold System.

40 years, 4 per cent. debentures, due December 1st, 1958... 100,000 00  
 Issued in purchase of distribution lines.

## Re Sandwich, Windsor and Amherstburg Railway.

40 years, 4½ per cent bonds due April 1st, 1960..... 2,100,000 00  
 40 " 6 " " " July 1st, 1961..... 900,000 00  
 20 " 5 " " " September 1st, 1943..... 966,205 00  
 20 " 5 " " " July 1st, 1945..... 750,000 00  
 20 " 5 " " " September 1st, 1945..... 100,000 00  
 20 " 5 " " " July 15th, 1946..... 1,000,000 00

## Re Port Credit and St. Catharines Railway.

50 years, 5 per cent bonds, due November 1st, 1969..... 500,000 00  
 \$1,200,000 pledged as security for Bank Loan of \$500,000.

## Re Guelph Railway.

39½ years, 5 per cent bonds, due November 1st, 1970..... 300,000 00

## Re Toronto and York Radial Railway Company, and Schomberg and Aurora Railway Company.

20 years, 6 per cent. bonds, due December 1st, 1940..... 2,375,000 00  
 Issued in purchase of Capital Stock.  
 20 years, 6 per cent. bonds, due December 1st, 1940 (part). 205,800 00  
 Issued in purchase of electrical power equipment of the  
 Toronto and York Radial Railway.

## Bonds and Debenture Stock assumed by the Commission:

## Re Ontario Power Company of Niagara Falls.

First mortgage 5 per cent. gold bonds, due Feb. 1st, 1943... 7,680,000 00

## Re Ontario Transmission Company, Limited.

First mortgage 5 per cent. gold bonds, due May 1st, 1945... 1,248,000 00

## Re Toronto Power Company, Limited.

Guaranteed 4½ per cent. debenture stock, due May 1st, 1941. 3,406 67

## Re Electrical Development Company of Ontario, Limited.

First mortgage 5 per cent. gold bonds, due 1933..... 500 00

## Re Restoration of Reserve Funds.

8 years, 3½ per cent. debentures due January 1st, 1943  
 (in part)..... 2,000,000 00

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 83,669,061 67

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 \$99,438,793 47

# AGRICULTURAL DEVELOPMENT FINANCE ACT

R.S.O. 1927, Cap. 67

## Statement Showing Deposits in Province of Ontario Savings Offices, and Agricultural Loans as at March 31st, 1935

DEPOSITS IN SAVINGS OFFICES BY PUBLIC AT MARCH 31st, 1935.....\$ 22,326,489 50

### AGRICULTURAL DEVELOPMENT FINANCE ACT—INVESTMENTS—

Agricultural Development Board—Debentures.....	\$ 62,288,000 00	
Less: Repayments to date.....	12,688,000 00	
	\$ 49,600,000 00	
Accrued Interest on debentures.....	5,608,560 36	\$ 55,208,560 36
Farm Loans Act—Farm Loan Associations.....		182,709 23
“ “ “ —Capital Stock in Associations.....		2,445 00
		\$ 55,393,714 59

### Savings Offices—

Cash on hand and in banks.....	\$ 699,064 01	
Accounts receivable.....	4,455 86	
Fixtures (depreciated value).....	62,415 89	
		765,935 76
		\$ 56,159,650 35

## SUMMARY

Debentures, Cash, Etc.....	\$ 50,551,089 99
Accrued Interest on Debentures.....	5,608,560 36
	\$ 56,159,650 35

## SPECIAL FUNDS

As at March 31st, 1935

Niagara Parks Commission—Sinking Funds.....	\$ 117,556 97
Ontario Public Service Superannuation Fund (See page 42).....	249,683 10
Municipal Sinking Funds (See page 43).....	1,921,167 79
Assurance Fund—Land Titles Office.....	300,000 00
“ “ Toronto Registry Office.....	25,162 11
Federal Subsidy for Agriculture—Balance Unexpended.....	457 11
Agriculture Development Finance Act—Reserves:	
Province of Ontario Savings Office.....	\$ 296,712 19
For Farm Loans.....	457,739 52
	754,451 71
Cash Surety Bonds—Milk Control Board.....	6,690 54
Vimy Ridge Farm—Boys' Bank Deposits—In Trust.....	7 76
Bequests—Charitable and Educational.....	123,376 17
Brophy Estate—Estate.....	162,966 94
Gymnasium Fund—Contributions, etc. (Training School for Boys, Bowmanville)	20,900 00
Registry Offices—Surplus fees deposited with Treasury.....	200 64
Suspense Account—	
Ontario Savings Office—Cost of Alterations to Premises....	\$ 12,000 00
Proceeds from Sale of Creamery.....	452 94
Unclaimed Dividends.....	5,779 66
Highway Improvement Fund—Unclaimed Cheques.....	718 75
	18,951 35
Miscellaneous.....	5 07
	\$ 3,701,577 26

## PUBLIC SERVICE SUPERANNUATION FUND

R.S.O. 1927, Cap. 16, Part III

As at March 31st, 1935

Balance at credit of Fund—November 1st, 1934.....\$5,051,171 94

Receipts and Payments for five months ended March 31st, 1935.

## CONTRIBUTIONS—

Employees .....	\$ 158,336 05
Government (Sec. 39) .....	\$134,265 73
( " 60) .....	9,164 16

\$143,429 89

Less Refunds (Sec. 36).....142,826 66

603 23

\$ 158,939 28

## DEDUCT—

Boards, Commissions, etc.,

Refunds (Sec. 36).....\$ 78,716 20

Less—Contributions (Sec. 39).....24,070 32

54,645 88

\$ 104,293 40

## EARNINGS—

Interest—On balance at credit of Fund at  
November 1st, 1934:

\$4,500,000 00 for 5 months at $4\frac{3}{4}\%$ ....	\$ 89,062 50
551,171 94 " 5 " 5 $\%$ ....	11,482 75

\$100,545 25

On contributions.

Employees .....\$ 1,206 45

Government.....1,206 45

2,412 90

\$ 102,958 15

Less—Interest deducted on account of pay-  
ments to beneficiaries, etc.....

4,073 39

98,884 76

203,178 16

\$5,254,350 10

## PAYMENTS—

Allowances to beneficiaries, etc.....\$254,559 77

Refunds and interest.....250,107 23

504,667 00

Balance at Credit of Fund, March 31st, 1935.....\$4,749,683 10

## INVESTMENT OF FUND

Province of Ontario Debentures— $4\frac{3}{4}\%$  due October 31st, 1953.....\$4,500,000 00

Funds uninvested—on deposit with the Treasurer of Ontario.....249,683 10

\$4,749,683 10













